

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana

ANNUAL FINANCIAL REPORT

As of and for the Year Ended
December 31, 2012

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

Release Date JUL 17 2013

TANGIPAHOA PARISH GOVERNMENT

Amite, Louisiana

ANNUAL FINANCIAL REPORT
As of and for the Year Ended December 31, 2012

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LEE GRAY
CERTIFIED PUBLIC ACCOUNTANT

601 COURTNEY DRIVE
P. O. Box 368
AMITE, LOUISIANA 70422

WWW.LEEGRAYCPA.COM

PHONE (985) 748-9067
FAX (985) 748-4370
E-MAIL: LG@LEEGRAYCPA.COM

INDEPENDENT AUDITOR'S REPORT

To the Parish President and Members
of the Tangipahoa Parish Council
Tangipahoa Parish Government
Amite, Louisiana

Report on the Financial Statements

I have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, the blended component units, and the aggregate remaining fund information of the Tangipahoa Parish Government, Louisiana (Parish) as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the basic financial statements of the Parish's primary government as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the Aggregate Remaining Fund Information

The financial statements do not include financial data for the Parish's legally separate component units, except for the blended component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net position, revenues, and expenses of the aggregate discretely presented component units are unknown. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an indeterminable amount.

Adverse Opinion on Aggregate Discretely Presented Component Units

In my opinion, because of the significance of the matter discussed in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the Aggregate Remaining Fund Information" paragraph, the financial statements referred to above do not present fairly, the financial position of the aggregate discretely presented component units of the Tangipahoa Parish Government, Louisiana, as of December 31, 2012, or the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Qualified Opinion on Aggregate Remaining Fund Information

In my opinion, except for the effects of the matter described in the "Basis for Adverse Opinion on the Aggregate Discretely Presented Component Units and Qualified Opinion on the Aggregate Remaining Fund Information" paragraph, the financial statements referred to above present fairly, in all material respects, the financial position of the aggregate remaining fund information of the Tangipahoa Parish Government, Louisiana, as of December 31, 2012, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinion

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, the fiduciary fund, the blended component units, and the aggregate remaining fund information of the Tangipahoa Parish Government, Louisiana, as of December 31, 2012, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and budgetary comparison information on pages 7 through 13 and pages 59 and 63 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Parish's basic financial statements. The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, Audits of States, Local Governments and Non-Profit Organizations and the financial data schedule - Section 8 Housing Choice Voucher program are presented for purposes of additional analysis and is not a required part of the basic financial statements of the Tangipahoa Parish Government.

The schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the financial data schedule - Section 8 Housing Choice Voucher program are the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In my opinion, the schedule of expenditures of federal awards, as required by Office of Management and Budget Circular A-133, *Audits of States, Local Governments and Non-Profit Organizations* and the financial data schedule - Section 8 Housing Choice Voucher program are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, I have also issued my report, dated June 26, 2013, on my consideration of the Parish's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Parish's internal control over financial reporting and compliance.



Certified Public Accountant

June 26, 2013

Required Supplementary Information (Part I)

TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2012

MANAGEMENT'S DISCUSSION AND ANALYSIS

Our discussion and analysis of the Tangipahoa Parish Government's (Parish) financial performance provides an overview of the Parish's financial activities for the fiscal year ended December 31, 2012, with comparisons to the prior year, where appropriate.

Since Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities, resulting changes, and currently known facts, please read it in conjunction with the Parish's financial statements, which begin on page 15.

FINANCIAL HIGHLIGHTS

The Parish's net position from government activities increased approximately \$6.1 million as a result of this year's operations. The parish no longer has business type activities as a result of the donation of the Fluker Chapel Water Well to the Tangipahoa Water District.

Total cost of all of the Parish's programs was in excess of \$43 million in 2012.

USING THIS ANNUAL REPORT

This discussion and analysis is intended to serve as an introduction to Tangipahoa Parish Government's basic financial statements. This annual report consists of a series of financial statements. The Parish's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements. The Statement of Net Position and the Statement of Activities (on pages 15 and 16) provide information about the activities of the Parish as a whole and present a longer-term view of the Parish's finances. Fund financial statements start on page 18. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the Parish's operations in more detail than the government-wide statements by providing information about the Parish's most financially significant funds.

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities

Our analysis of the Parish as a whole begins on page 7. One of the most important questions asked about the Parish's finances is "Is the Parish as a whole better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Activities report information about the Parish as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the *accrual basis of accounting*, which is similar to the accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the Parish's *net position* and changes to them. You can think of the Parish's net position, the difference between assets, what the citizens own, and liabilities, what the citizens owe, as one way to measure the Parish's financial health, or *financial position*. Over time, increases or decreases in the Parish's net position are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the Parish's property tax base and the condition of the Parish's capital assets (roads, bridges, buildings, and sewer lines) to assess the *overall health* of the Parish.

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2012**

In the Statement of Net Position and the Statement of Activities, we divide the Parish into two kinds of activities:

- **Governmental activities:** most of the Parish's basic services are reported here, including road & bridge construction and maintenance, road lighting, landfill operations, health offices, animal control, low income housing (Section 8), rural fire protection, and general administration. The Parish's one per cent sales tax, property taxes, and state and federal grants finance most of these activities
- **Business-type activities:** The Parish's water system is reported here. The new water system was donated to Tangipahoa Water District in 2011 and the remaining transfer was recorded in 2012.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. Some funds are required to be established by State law. However, the Parish establishes many other funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes, grants, and other money. The Parish's three kinds of funds, governmental, proprietary, and fiduciary, use different accounting approaches.

Governmental Funds: most of the Parish's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual accounting*, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the Parish's general government operations and the basic services it provides. Governmental fund information helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the Parish's programs. We describe the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in a reconciliation beside the fund financial statements.

Proprietary funds: when the Parish charges customers for the full cost of the services it provides whether to outside customers or to other units of the Parish, these services are reported in proprietary funds. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. In fact, the Parish's enterprise funds (a component business type funds) are the same as the business-type activities we report in the government-wide statements but provide more detail and additional information, such as cash flows, for proprietary funds.

Fiduciary funds: Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement because the resources are not available to support the Parish's own programs. The Tangipahoa Parish Government has only agency funds to report within the Fiduciary Fund category. Agency funds are reported on a full accrual basis and only present a statement of assets and liabilities.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28 through 57 of this report.

FINANCIAL ANALYSIS

The following table provides a comparative summary of the Parish's net position for the current and previous years. For more detailed information, see the Statement of Net Position on page 15 of this report.

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2012**

**CONDENSED STATEMENT OF NET POSITION
December 31, 2012, and 2011**

	Governmental Activities		Business-type Activity		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
<u>Assets</u>						
Current Assets	\$ 32,486,919	\$ 29,209,377	\$ -	\$ 580	\$ 32,486,919	\$ 29,209,957
Restricted Assets	379,082	444,265	-	-	379,082	444,265
Capital Assets	<u>175,076,430</u>	<u>171,271,093</u>	<u>-</u>	<u>189,580</u>	<u>175,076,430</u>	<u>171,460,673</u>
Total Assets	<u>207,942,431</u>	<u>200,924,735</u>	<u>-</u>	<u>190,160</u>	<u>207,942,431</u>	<u>201,114,895</u>
<u>Liabilities</u>						
Current Liabilities	6,499,080	5,995,781	-	-	6,499,080	5,995,781
Long-Term Liabilities	<u>8,767,940</u>	<u>8,638,943</u>	<u>-</u>	<u>-</u>	<u>8,767,940</u>	<u>8,638,943</u>
Total Liabilities	<u>15,267,020</u>	<u>14,634,724</u>	<u>-</u>	<u>-</u>	<u>15,267,020</u>	<u>14,634,724</u>
<u>Deferred inflow of sources</u>	<u>61,830</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>\$ 61,830</u>	<u>-</u>
Invested in Capital Position Net of Debt	173,759,345	169,809,243	-	189,580	173,759,345	169,998,823
Restricted	1,529,803	1,527,602	-	-	1,529,803	1,527,602
Unrestricted	<u>17,324,433</u>	<u>14,953,166</u>	<u>-</u>	<u>580</u>	<u>17,324,433</u>	<u>14,953,746</u>
Total Net Position	<u><u>\$192,613,581</u></u>	<u><u>\$186,290,011</u></u>	<u><u>-</u></u>	<u><u>\$ 190,160</u></u>	<u><u>\$192,613,581</u></u>	<u><u>\$186,480,171</u></u>

Approximately 90.21% of the Parish's net position reflect its investment in capital assets (land, buildings, equipment, and improvements) net of any outstanding related debt used to acquire those capital assets. These capital assets are used to provide services to citizens and do not represent resources available for future spending. Although, the Parish's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets cannot be used to liquidate these liabilities.

Approximately .82% of the Parish's net position represent resources that are subject to external restriction on how they may be used. The Parish's restricted net position consist of cash restricted for the high deductible insurance and health reimbursement plan and cash required to be restricted by grant covenants.

Approximately 8.97% of the Parish's net position are unrestricted and may be used to meet the Parish's ongoing obligations to its citizens.

At December 31, 2012, the Parish was able to report positive balances in all three categories of net position.

**TANGIPAOHA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2012**

The table below provides a comparative summary of the changes in net position for the years ended December 31, 2012, and December 31, 2011. An analysis of the primary sources of these changes follows the table. For more detailed information see Exhibit A-2, the Statement of Activities.

**CONDENSED STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
For Years Ended December 31, 2012, and 2011**

	Governmental Activities		Business-type Activity		Total	
	2012	2011	2012	2011	2012	2011
Program Revenues:						
Charges for Services	7,190,320	6,401,436	-	-	7,190,320	6,401,436
Grants and Contributions						
Operating	3,409,953	5,216,601	-	-	3,409,953	5,216,601
Capital	4,207,440	3,441,284	-	46,000	4,207,440	3,487,284
Total Program Revenues	14,807,713	15,059,321	-	46,000	14,807,713	15,105,321
General Revenues:						
Taxes and Licenses	30,427,641	29,288,837	-	-	30,427,641	29,288,837
Investment Earnings	114,458	103,968	-	-	114,458	103,968
Donations	27,221	3,871	-	-	27,221	3,871
Miscellaneous	120,064	88,138	-	-	120,064	88,138
Gain on Sale of Capital Assets	1,102	17,619	-	-	1,102	17,619
Total General Revenues	30,690,486	29,502,433	-	-	30,690,486	29,502,433
Total Revenues	45,498,199	44,561,754	-	46,000	45,498,199	44,607,754
Expenses:						
General Government	6,366,493	6,107,168	-	-	6,366,493	6,107,168
Culture and Recreation	667,174	485,911	-	-	667,174	485,911
Public Safety	9,914,995	8,586,346	-	-	9,914,995	8,586,346
Public Works	21,431,033	20,741,367	-	-	21,431,033	20,741,367
Health and Welfare	5,565,728	5,974,978	-	-	5,565,728	5,974,978
Interest on long term debt	15,000	17,828	-	-	15,000	17,828
Waterworks & Sewer	-	-	-	39	-	39
Total Expenses	43,960,423	41,913,598	-	39	43,960,423	41,913,637
Increase in Net Position						
Before Transfers	1,537,776	2,648,156	-	45,961	1,537,776	2,694,117
Transfers	4,785,794	6,386,099	(190,160)	(63,509)	4,595,634	6,322,590
Increase (Decrease) in Net Position	6,323,570	9,034,255	(190,160)	(17,548)	6,133,410	9,016,707
Net Position, January 1 (as restated)	<u>186,290,011</u>	<u>177,255,756</u>	<u>(190,160)</u>	<u>207,708</u>	<u>186,480,171</u>	<u>177,463,464</u>
Net Position, December 31	<u>\$192,613,581</u>	<u>\$186,290,011</u>	<u>-</u>	<u>\$190,160</u>	<u>\$192,613,581</u>	<u>\$186,480,171</u>

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2012**

Governmental Activities

The Parish's governmental net position increased by \$6.3 million. The increase in net Position is comprised primarily of an increase in charges for services, taxes and licenses, and capital grants.

Business Type Activities

The Parish's business type net position decreased by \$190,160. The Parish no longer has ownership of the Fluker Water Well.

GENERAL FUND BUDGETARY HIGHLIGHTS

The Parish budgets were reviewed quarterly and amended once during the year to reflect changes in forecasted revenues and expenditures. The budget had very little change from 2011 to 2012.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

Tangipahoa Parish's capital assets for its governmental activities as of December 31, 2012, amount to \$175,076,430 (net of accumulated depreciation). Capital assets include land, buildings, improvements, water and sewer systems, vehicles, machinery and equipment, office equipment, roads, and bridges.

The total increase in the Parish's investment in capital assets for the current year was 2.22%, or \$3,805,337.

Business activities decreased by \$189,580 as a result of the old Fluker Chapel Water System being transferred to the Tangipahoa Water District. The parish no longer has business type activities.

**CONDENSED STATEMENT OF CAPITAL ASSETS (NET OF DEPRECIATION)
For Years Ended December 31, 2012, and 2011**

	Governmental Activities		Business-type Activity		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Land	\$ 3,438,712	\$ 3,422,712	\$ -	\$ 1,000	\$ 3,438,712	\$ 3,423,712
Construction in Progress	4,898,943	8,685,859	-	-	4,898,943	8,685,859
Buildings	25,092,201	19,568,638	-	-	25,092,201	19,568,638
Water & Sewer Systems	-	-	-	188,580	-	188,580
Infrastructure	130,050,159	127,752,772	-	-	130,050,159	127,752,772
Machinery & Equipment	11,596,415	11,841,112	-	-	11,596,415	11,841,112
Capital Assets (Net)	<u>\$175,076,430</u>	<u>\$171,271,093</u>	<u>\$ -</u>	<u>\$189,580</u>	<u>\$175,076,430</u>	<u>\$171,460,673</u>

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2012**

Major capital asset events for year ended December 31, 2012, included the following:

1. The Parish completed the following projects: Energy Improvements for the Courthouse, Jail, Health Unit, and Animal Shelter; Renovations to the Tangipahoa Parish Courthouse; Phase XV Overlay; Construction of the Library Administration Building.
2. Construction continues on the following projects: Club Deluxe Road Widening and Subsurface Drainage Projects, Phase XVI Overlay, New Environmental Health Building, Construction of Cell 12 Phase II East at the Landfill; Outdoor Classroom at the Florida Parishes Arena, Shoreline Protection Project, New Agricultural Event Center, Port Manchac Project, Ponchatoula Fire Station No. 4, Hazard Mitigation Ponchatoula Ash Street Drainage Project, and the Safe Room Project for the Office of Homeland Security and Emergency Preparedness.

Long-Term Debt

**CONDENSED STATEMENT OF LONG-TERM DEBT
For Years Ended December 31, 2012, and 2011**

	Governmental Activities		Business-type Activity		Total	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
General Obligation Bonds	\$ 225,000	\$ 275,000	-	-	\$ 225,000	\$ 275,000
Certificates of Indebtedness						
Rural Fire No. 2	1,092,085	1,383,740	-	-	1,092,085	1,383,740
Estimated Liability for Landfill Closure/ Postclosure Care Cost	6,077,319	5,798,979	-	-	6,077,319	5,798,979
EDAP Scariano Bros.	-	-	-	-	-	-
Capital Position (Net)	<u>\$7,394,404</u>	<u>\$7,457,719</u>	<u>-</u>	<u>-</u>	<u>\$7,394,404</u>	<u>\$7,457,719</u>

* The current portion of the debt listed above is \$351,180.

**TANGIPAHOA PARISH GOVERNMENT
MANAGEMENT'S DISCUSSION AND ANALYSIS
As of and for the Year Ended December 31, 2012**

THE PARISH AS A WHOLE

The Parish's combined net Position changed from a year ago, increasing from approximately \$186 million to \$192 million.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The Parish looks forward to 2013 with a cautious optimistic economic outlook of continued expansion and growth within the local economy. The Parish continues to practice the conservative fiscal policy (pay as you go) from which much of the economic success in Tangipahoa Parish has resulted. Consistent with a conservative approach to fiscal policy, the Parish budgeted little or no increase in revenues for 2013. However, actual sales tax collections through April 2013 have increased 5.24% over prior year collections for the same time period.

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens, taxpayers, customers, and creditors with a general overview of the Parish's finances and to show the Parish's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Melissa R. Cowart, Certified Public Accountant at (985) 748-3211 or Tangipahoa Parish Government, P.O. Box 215, Amite, LA 70422.

Basic Financial Statements

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
 STATEMENT OF NET POSITION
 December 31, 2012

EXHIBIT A-1

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash and cash equivalents	\$ 16,223,499
Receivables, net	16,022,865
Due from other governments	240,555
Restricted assets - cash	379,082
Capital assets (net)	175,076,430
Total Assets	<u>207,942,431</u>
<u>Liabilities</u>	
Cash overdraft	67,135
Accounts, salaries, and other payables	6,050,448
Due to other governments	381,497
Noncurrent liabilities:	
Due within one year	351,180
Due in more than one year	7,043,224
Postemployment healthcare benefits payable	1,373,536
Total Liabilities	<u>15,267,020</u>
<u>Deferred inflow of resource</u>	
BP Grant Funds	6,436
Hazard Mitigation Funds	55,394
Total Deferred inflow of resources	<u>61,830</u>
<u>Net Position</u>	
Invested in capital assets, net of related debt	173,759,345
Restricted for:	
Debt service	135,461
Other purposes	1,394,342
Unrestricted	<u>17,324,433</u>
Total Net Position	<u>\$192,613,581</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012

		<u>Program Revenues</u>	
	<u>Expenses</u>	<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>
Governmental Activities:			
General government	\$ 6,366,493	\$ 2,848,362	\$ 700,871
Culture and recreation	667,174	108,961	76,726
Public safety	9,914,995	963,752	20,187
Public works	21,431,033	3,064,434	-
Health and welfare	5,565,728	204,811	2,612,169
Interest on long-term debt	15,000	-	-
Total Governmental Activities	<u>43,960,423</u>	<u>7,190,320</u>	<u>3,409,953</u>
Business-type Activity:			
Waterworks	-	-	-
Total Business-type Activity	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>\$ 43,960,423</u>	<u>\$ 7,190,320</u>	<u>\$ 3,409,953</u>

General Revenues:

Taxes:

Sales taxes

Ad valorem taxes

Franchise taxes

Severance taxes

Alcoholic beverage taxes

Occupational licenses

State revenue sharing

2% Fire insurance rebate

Donations

Miscellaneous

Investment earnings

Gain from disposition of capital assets

Transfers and contributions

Total general revenues, transfers, and contributions

Change in Net Position

Net position - beginning (as restated)

Net position - ending

The accompanying notes are an integral part of this statement.

EXHIBIT A-2

Capital Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position		
	Governmental. Activities	Business-type Activity	Total
\$ 286,564	\$ (2,530,696)	\$ -	\$ (2,530,696)
83,441	(398,046)	-	(398,046)
1,752,889	(7,178,167)	-	(7,178,167)
2,064,202	(16,302,397)	-	(16,302,397)
20,344	(2,728,404)	-	(2,728,404)
-	(15,000)	-	(15,000)
<u>4,207,440</u>	<u>(29,152,710)</u>	<u>-</u>	<u>(29,152,710)</u>
-	-	-	-
-	-	-	-
<u>\$ 4,207,440</u>	<u>(29,152,710)</u>	<u>-</u>	<u>(29,152,710)</u>
	16,883,360	-	16,883,360
	10,851,438	-	10,851,438
	550,161	-	550,161
	229,867	-	229,867
	38,718	-	38,718
	690,385	-	690,385
	919,874	-	919,874
	263,838	-	263,838
	27,221	-	27,221
	120,064	-	120,064
	114,458	-	114,458
	1,102	-	1,102
	<u>4,785,794</u>	<u>(190,160)</u>	<u>4,595,634</u>
	<u>35,476,280</u>	<u>(190,160)</u>	<u>35,286,120</u>
	6,323,570	(190,160)	6,133,410
	<u>186,290,011</u>	<u>190,160</u>	<u>186,480,171</u>
	<u>\$ 192,613,581</u>	<u>\$ -</u>	<u>\$ 192,613,581</u>

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
BALANCE SHEET
GOVERNMENTAL FUNDS
December 31, 2012

EXHIBIT A-3

	General Fund	Road and Bridge Funds	Garbage District No. 1	Rural Fire Protection District No. 2	Health Unit	CIAP	Other Governmental Funds	Total Governmental Funds
Assets								
Cash and cash equivalents	\$ 143,603	\$ 8,695,782	\$ 604,126	\$ 1,195,865	\$ 1,524,301	\$ 3,276	\$ 3,963,680	\$ 16,130,633
Receivables, net	2,056,518	1,607,649	2,823,644	4,667,583	2,027,678	1,529,044	1,293,246	16,005,362
Due from other governments	240,555	-	-	-	-	-	-	240,555
Due from other funds	91,100	-	-	-	606,551	-	-	697,651
Restricted asset - cash	124,372	144,227	43,362	-	27,161	-	22,702	361,824
Total Assets	\$ 2,656,148	\$ 10,447,658	\$ 3,471,132	\$ 5,863,448	\$ 4,185,691	\$ 1,532,320	\$ 5,279,628	\$ 33,436,025
Liabilities								
Cash overdraft	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 67,135	\$ 67,135
Accounts, salaries, and other payables	528,573	1,410,084	335,820	1,163,308	157,005	1,517,328	853,559	5,965,677
Due to other governments	45,350	-	98,274	183,949	-	-	53,924	381,497
Due to other funds	600,000	-	-	-	-	11,716	97,651	709,367
Total Liabilities	1,173,923	1,410,084	434,094	1,347,257	157,005	1,529,044	1,072,269	7,123,676
Deferred Inflow of Resources								
BP Grant Funds	-	-	-	-	-	-	6,436	6,436
Hazard Mitigation Funds	-	-	-	-	-	-	55,394	55,394
Total Deferred Inflow of Resources	-	-	-	-	-	-	61,830	61,830
Fund Balances								
Restricted	115,919	8,893,347	2,993,676	4,516,191	4,001,525	3,276	4,047,954	24,571,888
Committed	916,997	-	-	-	-	-	37,698	954,695
Assigned	124,372	144,227	43,362	-	27,161	-	31,780	370,902
Unassigned	324,937	-	-	-	-	-	28,097	353,034
Total Fund Balances	1,482,225	9,037,574	3,037,038	4,516,191	4,028,686	3,276	4,145,529	26,250,519
Total Liabilities, Deferred Inflow of Resources, and Fund Balances	\$ 2,656,148	\$ 10,447,658	\$ 3,471,132	\$ 5,863,448	\$ 4,185,691	\$ 1,532,320	\$ 5,279,628	\$ 33,436,025

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
BALANCE SHEET TO THE STATEMENT OF NET POSITION
For the Year Ended December 31, 2012

EXHIBIT A-4

Fund balances - total governmental funds	\$ 26,250,519
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Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	174,989,892
--	-------------

Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported in the governmental funds.	(7,394,404)
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Other postemployment obligations liability is not due and payable in the current period, and therefore, is not reported in the funds.	(1,373,536)
---	-------------

The internal service fund is used by management to charge administration costs to individual funds. The assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.	<u>141,110</u>
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Net position of governmental activities	<u>\$ 192,613,581</u>
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The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
 Amite, Louisiana
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 GOVERNMENTAL FUNDS
 For the Year Ended December 31, 2012

	<u>General Fund</u>	<u>Road and Bridge Funds</u>	<u>Garbage District No. 1</u>
<u>Revenues</u>			
Taxes:			
Sales	\$ 4,220,840	\$ 12,662,520	\$ -
Ad valorem	1,168,572	-	2,489,049
Franchise	550,161	-	-
Licenses, permits, and rent	1,396,707	-	-
Intergovernmental revenues:			
Federal funds:			
Federal grants	817,609	481,603	15,130
State funds:			
Parish transportation funds	-	933,697	-
State revenue sharing	88,638	-	247,627
Severance tax	229,867	-	-
State appropriations	100,000	-	-
State grants	53,900	-	-
Alcoholic beverage tax	38,718	-	-
Local funds:			
Tourist Commission	-	-	-
Fees, charges, and commissions for service	112,829	-	2,789,434
Fines and forfeitures	100	-	-
Interest	3,707	32,761	13,645
Other revenues	2,061,044	4,662	37,839
	<u>10,842,692</u>	<u>14,115,243</u>	<u>5,592,724</u>
<u>Expenditures</u>			
General government:			
Legislative	729,410	-	-
Judicial	4,066,094	-	-
Elections	179,696	-	-
Finance and administrative	954,679	-	-
Public safety	2,693,909	-	-
Public works	1,455,839	11,256,128	5,904,544
Health and welfare	573,442	-	-
Culture and recreation	67,244	-	-
Debt service:			
Principal	-	-	-
Interest and agent fees	-	-	-
	<u>10,720,313</u>	<u>11,256,128</u>	<u>5,904,544</u>
Excess of Revenues			
Over (Under) Expenditures	<u>122,379</u>	<u>2,859,115</u>	<u>(311,820)</u>
<u>Other Financing Sources (Uses)</u>			
Operating transfers in (out)	(134,832)	-	-
Sale of fixed assets	1,200	-	-
Proceeds from fire departments	1,725	-	-
Co-operative endeavor agreement - library	-	-	-
Co-operative endeavor agreement - Ponchatoula	-	-	-
	<u>(131,907)</u>	<u>-</u>	<u>-</u>
Net Change in Fund Balances	(9,528)	2,859,115	(311,820)
Fund Balances - Beginning of Year, Restated	<u>1,491,753</u>	<u>6,178,459</u>	<u>3,348,858</u>
Fund Balances - End of Year	<u>\$ 1,482,225</u>	<u>\$ 9,037,574</u>	<u>\$ 3,037,038</u>

The accompanying notes are an integral part of this statement.

EXHIBIT A-5

<u>Rural Fire Protection District No. 2</u>	<u>Health Unit</u>	<u>CIAP</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
\$ -	\$ -	\$ -	\$ -	\$ 16,883,360
4,654,130	2,040,581	-	499,106	10,851,438
-	-	-	-	550,161
-	-	-	275,000	1,671,707
-	317,875	1,589,955	3,069,881	6,292,053
-	-	-	-	933,697
452,548	131,061	-	-	919,874
-	-	-	-	229,867
263,838	-	-	-	363,838
-	-	-	171,817	225,717
-	-	-	-	38,718
-	-	-	50,000	50,000
-	-	-	822,037	3,724,300
-	-	-	246,476	246,576
23,668	18,558	-	21,479	113,818
16,800	687	-	262,366	2,383,398
<u>5,410,984</u>	<u>2,508,762</u>	<u>1,589,955</u>	<u>5,418,162</u>	<u>45,478,522</u>
-	-	-	-	729,410
-	-	-	197,040	4,283,134
-	-	-	-	179,696
-	-	-	-	954,679
5,451,194	-	1,590,042	858,951	10,594,096
-	-	-	1,037,523	19,654,034
-	2,486,994	-	2,467,444	5,527,880
-	-	-	4,170,999	4,238,243
-	-	-	50,000	50,000
-	-	-	15,000	15,000
<u>5,451,194</u>	<u>2,486,994</u>	<u>1,590,042</u>	<u>8,796,957</u>	<u>46,206,172</u>
<u>(40,210)</u>	<u>21,768</u>	<u>(87)</u>	<u>(3,378,795)</u>	<u>(727,650)</u>
-	6,551	-	278,166	149,885
-	-	-	-	1,200
-	-	-	-	1,725
-	-	-	3,177,333	3,177,333
-	-	-	12,602	12,602
-	<u>6,551</u>	<u>-</u>	<u>3,468,101</u>	<u>3,342,745</u>
(40,210)	28,319	(87)	89,306	2,615,095
<u>4,556,401</u>	<u>4,000,367</u>	<u>3,363</u>	<u>4,056,223</u>	<u>23,635,424</u>
<u>\$ 4,516,191</u>	<u>\$ 4,028,686</u>	<u>\$ 3,278</u>	<u>\$ 4,145,529</u>	<u>\$ 26,250,519</u>

**TANGIPAHOA PARISH GOVERNMENT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
For the Year Ended December 31, 2012**

EXHIBIT A-6

Net change in fund balances - total governmental funds \$ 2,615,095

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. 5,314,561

In the statement of activities, only the gain on the sale of equipment is reported, whereas in the governmental funds, the proceeds from the sale increases financial resources. Thus, the change in net assets differs from the change in fund balance by the cost of the equipment disposed of. (13,707)

Governmental funds report capital outlays as expenditures. This is the accumulated cost of capital assets donated to other governmental agencies during the current period. (1,495,517)

Bond proceeds and capital leases provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items. 341,655

Internal service funds are used by management to charge the costs of certain activities, such as accounting services, to individual funds. The net revenue (expense) of certain internal funds is reported with governmental activities. 32,135

The net change in the liability for postemployment healthcare benefits is reported in the government-wide statements, but not in the governmental fund statements. (192,312)

Municipal Solid Waste Landfill closure and postclosure care cost liabilities are not recorded by the governmental fund, but must be recorded as a general long-term liability in the governmental activities in the government-wide financial statements. This is the amount of the increase of the closure and postclosure care costs liability over the prior year. (278,340)

Change in net position of governmental activities \$ 6,323,570

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
STATEMENT OF NET POSITION
PROPRIETARY FUND
December 31, 2012

EXHIBIT A-7

	<u>Governmental Activities- Internal Service</u>
<u>Assets</u>	
<u>Current Assets</u>	
Cash and cash equivalents	\$ 92,866
Receivables	17,503
Due from other funds	11,716
Total Current Assets	<u>122,085</u>
<u>Restricted Assets</u>	
Cash and cash equivalents	<u>17,258</u>
<u>Noncurrent Assets</u>	
Capital assets (net of accumulated depreciation)	<u>86,538</u>
Total Assets	<u>225,881</u>
<u>Liabilities</u>	
<u>Current Liabilities</u>	
Accounts, salaries, and other payables	<u>84,771</u>
Total Liabilities	<u>84,771</u>
<u>Net Position</u>	
Invested in capital assets, net of related debt	86,538
Restricted	17,258
Unrestricted	<u>37,314</u>
Total Net Position	<u>\$ 141,110</u>

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

EXHIBIT A-8

	Business-type Activities - Fluker Chapel Waterworks Fund	Governmental Activities- Internal Service
<u>Operating Revenues</u>		
Charges for services	\$ -	\$ 1,386,605
Federal grant	-	15,928
Total Operating Revenues	-	1,402,533
<u>Operating Expenses</u>		
Personnel services	-	980,687
Materials and supplies	-	66,725
Professional services	-	193,355
Repairs and maintainance	-	11,089
Other expenses	-	94,434
Depreciation	-	22,009
Total Operating Expenses	-	1,368,299
Operating Income	-	34,234
<u>Nonoperating Revenues (Expenses)</u>		
Interest income	-	640
Miscellaneous revenue	-	2,009
Loss on disposition of capital assets	-	(4,748)
Total Nonoperating (Expenses)	-	(2,099)
Income before transfers	-	32,135
<u>Transfers</u>		
Excess Funds to General Fund	(580)	-
Capital assets	(189,580)	-
Change in Net Position	(190,160)	32,135
Total Net Position - Beginning	190,160	108,975
Total Net Position - Ending	\$ -	\$ 141,110

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended December 31, 2012

EXHIBIT A-9

	Business-type Activities - Fluker Chapel Waterworks Fund	Governmental Activities- Internal Service
<u>Cash Flows from Operating Activities</u>		
Receipts from customers and users	\$ -	\$ 1,379,512
Payments to suppliers	-	(376,012)
Payments to employees	-	(968,669)
Net Cash Provided by Operating Activities	-	34,831
<u>Cash Flows from Noncapital Financing Activities</u>		
Restricted cash	-	(996)
Miscellaneous Proceeds	-	2,009
Transfer to General Fund	(580)	-
Net Cash Provided (Used) by Noncapital Financing Activities	(580)	1,013
<u>Cash Flows from Capital and Related Financing Activities</u>		
Purchases of capital assets	-	(27,187)
Net Cash (Used) by Capital and Related Financing Activities	-	(27,187)
<u>Cash Flows from Investing Activities</u>		
Interest received	-	640
Net Cash Provided by Investing Activities	-	640
Net Increase in Cash and Cash Equivalents	-	9,297
Cash and Cash Equivalents, Beginning of Year	580	83,569
Cash and Cash Equivalents, End of Year	\$ -	\$ 92,866
<u>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities</u>		
Operating Income (Loss)	\$ -	\$ 34,234
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation expense	-	22,009
Decrease (Increase) in assets-		
Accounts receivable	-	(23,021)
Increase (Decrease) in liabilities-		
Accounts payable and other payables	-	1,609
Total Adjustments	-	597
Net Cash Provided by Operating Activities	\$ -	\$ 34,831

The accompanying notes are an integral part of this statement.

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
STATEMENT OF FIDUCIARY NET POSITION
PAYROLL LIABILITY FUND
December 31, 2012

EXHIBIT A-10

Assets

Cash	\$ 940,133
Due from other governments	<u>26,720</u>
Total Assets	<u>\$ 966,853</u>

Liabilities

Accounts payable	<u>\$ 966,853</u>
Total Liabilities	<u>\$ 966,853</u>

The accompanying notes are an integral part of this statement.

Notes to the Financial Statements

TANGIPAHOA PARISH GOVERNMENT

Amite, Louisiana

Notes to the Financial Statements As of and for the Year Ended December 31, 2012

INTRODUCTION

Tangipahoa Parish Government (parish) is the governing authority for the Parish of Tangipahoa, Louisiana. The Parish of Tangipahoa operates under a home rule charter and is governed by the "council-president" form of government. An elected council of ten members representing the various districts within the parish constitutes the legislative branch of the government and an elected president is the chief executive officer and head of the executive branch. The council and president serve four-year terms that expire in January 2016.

Louisiana Revised Statute 33:1236 gives Tangipahoa Parish Government various powers in regulating and directing the affairs of the parish and its inhabitants. The more notable of those is the power to make regulations for its own government; to regulate the construction and maintenance of roads, bridges, and drainage systems; to regulate the sale of alcoholic beverages; and to provide for the health and welfare of the poor, disadvantaged, and unemployed in the parish. Funding to accomplish these tasks is provided by ad valorem and sales taxes, beer and alcoholic beverage permits, state revenue sharing, permits and fees, and state and federal grants.

Tangipahoa Parish occupies approximately 818 square miles with a population of approximately 123,441. The parish government maintains approximately 1,200 miles of roads, 700 miles of which are paved and 500 of which are gravel. Parish government offices are located in the courthouse annex in Amite, Louisiana, with road maintenance facilities located at 2 locations within the parish.

In June 1999 the Governmental Accounting Standards Board (GASB) unanimously approved Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments. Certain of the significant changes in the Statement include the following:

- The financial statements now include:
 - A Management's Discussion and Analysis (MD&A) section providing an analysis of the parish's overall financial position and results of operations.
 - Financial statements prepared using full accrual accounting for all of the parish's activities, including current year infrastructure (roads and bridges).
 - A change in the fund financial statements to focus on the major funds.

These and other changes are reflected in the accompanying financial statements (including these notes to financial statements). The parish was required to implement the general provisions of Statement No. 34 in the year ended December 31, 2003, and was required to implement the provisions for retroactively reporting infrastructure per Statement No. 34 for the fiscal year ended December 31, 2007.

The parish was also required to implement the general provisions of GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, in the year ended December 31, 2011.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. REPORTING ENTITY

As the governing authority of the parish, for reporting purposes, Tangipahoa Parish Government is the financial reporting entity for Tangipahoa Parish. The financial reporting entity consists of (a) the primary government (Tangipahoa Parish Government), (b) organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

GASB Statement No. 14 as amended by GASB Statement No. 61 established criteria for determining which component units should be considered part of Tangipahoa Parish Government for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. These criteria include:

1. Appointing a voting majority of an organization's governing body, and
 - a. The ability of Tangipahoa Parish Government to impose its will on that organization and/or
 - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on Tangipahoa Parish Government.
2. Organizations for which Tangipahoa Parish Government does not appoint a voting majority but are fiscally dependent on Tangipahoa Parish Government.
3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Based on the previous criteria, Tangipahoa Parish Government has determined that the following component units are part of the reporting entity:

Blended Component Units

Tangipahoa Parish Government, as the reporting entity, has chosen to issue financial statements of the primary government (Tangipahoa Parish Government) only, except for including the following blended component units whose accounting records are maintained by the Parish.

Special Revenue - Major Fund
Rural Fire Protection District No. 2

General Fund - Non-major Funds
Construction Board of Adjustment and Appeals
Industrial Development Board of the Parish of Tangipahoa, Inc.
Tangipahoa Parish Planning Commission

Component Units Omitted From Financial Statements

<u>Active Component Units</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Consolidated Gravity Drainage District Number 1	12/31	1
Coves of the Highland Community Development District	06/30	1
Fire Protection District Number 1	12/31	1
Gravity Drainage District Number 4	12/31	1
Gravity Drainage District Number 5	12/31	1
Hospital Service District Number 1	06/30	1
Hospital Service District Number 2	12/31	1
Mosquito Abatement District No. 1 of the Parish of Tangipahoa	12/31	1
Ponchatoula Area Recreation District Number 1	12/31	1
Recreation District Number 39A	12/31	1
Sewer District No. 1 of the Parish of Tangipahoa	12/31	1
Tangipahoa Communication District Number 1	12/31	1
Tangipahoa Parish Clerk of Court	06/30	2
Tangipahoa Parish Convention and Visitors Bureau	12/31	1
Tangipahoa Parish Economic Development District	12/31	1
Tangipahoa Parish Library Board of Control	12/31	1
Tangipahoa Parish Sheriff	06/30	2
Tangipahoa Voluntary Council on Aging	12/31	1
Tangipahoa Water District	12/31	1

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

Component Units Omitted From Financial Statements, continued

<u>Inactive or Non-Funded Component Units</u>	<u>Fiscal Year End</u>	<u>Criteria Used</u>
Hammond Area Recreation District Number 1	12/31	1
Kentwood Area Recreation District	12/31	1
Loranger Recreation District Number 104	12/31	1
Recreation District Number 3	12/31	1
Recreation District Number 5 - Mid Parish	12/31	1
Recreation District Number 6	12/31	1

The component units listed herein are not included in the accompanying financial statements except for the blended component units. Their financial statements may be obtained by request to the Clerk of the Council of the Tangipahoa Parish Government at (985) 748-3211.

Considered in the determination of component units of the reporting entity were the Tangipahoa Parish School Board, Tax Assessor, and the District Attorney for the 21st Judicial District, Twenty-First Judicial District Children and Youth Planning Board, and the various municipalities in the parish. It was determined that these governmental entities are not component units of Tangipahoa Parish Government reporting entity because they have separately elected governing bodies, are legally separate, and are fiscally independent of Tangipahoa Parish Government.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and selected blended component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The focus of governmental and proprietary fund financial statements is on "major" funds. Fund statements present in separate columns the general fund, followed by major funds, with non-major funds aggregated and displayed in a separate column. The new model (GASB Statement 34) sets forth minimum criteria (percentage of the assets, liabilities, revenues, or expenditures/expenses of either fund category or the governmental and enterprise funds combined) for the determination of major funds. In addition to the funds that meet the major fund criteria, any other governmental or enterprise fund that the government's officials believe is particularly important to financial statement users may be reported as a major fund.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

The Parish implemented GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows, or Resources and Net Position*. GASB 63 provides guidance for reporting deferred outflows or resources, deferred inflows or resources, and net position in a statement of financial position and related disclosures. The reader will note a change in terminology from "net assets" to "net position".

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government.

The parish reports the following major governmental funds:

The General Fund is the parish's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

SPECIAL REVENUE FUNDS:

The Road and Bridge Funds account for the construction of new roads and bridges and the maintenance of the existing roads and roadside areas within the respective road districts. Major sources of revenues are 75% of the sales tax revenues and appropriations from the State of Louisiana Parish Transportation Fund.

The Garbage District No. 1 Fund accounts for the operation of the parish landfill. Major sources of revenue are ad valorem taxes and sanitation landfill user fees.

The Rural Fire Protection District No. 2 Fund accounts for the receipt of ad valorem taxes, state revenue sharing, and the two percent fire insurance rebate monies and the appropriation of these funds to the various fire departments in the district based on the percentage of rural population they serve.

The Health Unit Fund accounts for the operations of the parish health units. Major sources of revenue are ad valorem taxes and state revenue sharing.

CAPITAL PROJECTS FUND:

The CIAP fund accounts for the Lake Pontchartrain Shoreline Protection construction project. Major source of revenue is a federal grant.

The parish reports the following major proprietary fund:

Enterprise fund - accounts for operations (a) where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges, or (b) where the governing body has decided the periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

The parish maintained one enterprise fund, the Fluker Chapel Waterworks Fund which provided water services. On May 18, 2012, the parish transferred the remaining assets to the General Fund. As of December 31, 2012, this enterprise fund was closed.

Additionally, the parish reports the following fund types:

Internal service fund accounts for services provided to other departments and agencies of the parish, or to other governments on a reimbursement basis. The internal service fund is the Administrative Fund, established by the parish to render administrative and accounting services to various funds. It receives a fee from each fund based on a combination of revenues received and services rendered for that fund.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The parish has elected not to follow subsequent private-sector guidance.

As a general rule the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes and other charges between the government's enterprise operations. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the proprietary funds are user fees. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the parish's policy to use restricted resources first, then unrestricted resources as they are needed.

D. DEPOSITS AND INVESTMENTS

The parish's cash and cash equivalents consist of cash on hand and demand deposits. Amounts in time deposits and those investments with original maturities of 90 days or less are considered to be cash equivalents. State law allows the parish to invest in collateralized certificates of deposits, government backed securities, commercial paper, the state sponsored investment pool, and mutual funds consisting solely of government backed securities.

The parish had no investments at December 31, 2012.

E. RECEIVABLES

Receivables are shown net of an allowance for uncollectibles. Uncollectible amounts due for garbage charges are recognized as bad debts through the establishment of an allowance account at the time information becomes available which would indicate the uncollectibility of the particular receivables. Uncollectible amounts for property taxes are recorded as a reduction of current revenues.

F. SHORT-TERM INTERFUND RECEIVABLES/PAYABLES

During the course of operations, numerous transactions occur between individual funds for goods provided or services rendered. These receivables and payables are classified as due from other funds or due to other funds on the balance sheet. Short-term interfund loans are classified as interfund receivables/payables.

Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

G. INVENTORIES

Inventories for supplies are immaterial and are recorded as expenditures/expenses when purchased.

H. PREPAID ITEMS

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

I. RESTRICTED ASSETS

Certain resources of the parish are set aside for the payment of the high deductible insurance and health reimbursement plan are classified as restricted assets on the balance sheet because they are maintained in a separate bank account and their use is limited by the parish administration.

J. CAPITAL ASSETS

Capital assets, which include property, plant, equipment, and infrastructure assets (roads and bridges), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are capitalized at historical cost or estimated cost if historical cost is not available. Donated assets are recorded as capital assets at their estimated fair market value at the date of donation.

The parish maintains a threshold level of \$1,000 or more for capitalizing capital assets. Rural Fire Protection District No. 2 maintains a threshold level of \$1,000 or more for capitalizing capital assets.

For infrastructure that was acquired/built for the period July 1, 1980, to December 31, 2007, the parish has determined the value by using current replacement cost and deflating that cost by applying a CPI adjustment of 51.44% to approximate year of acquisition. There are three elements to the valuation: 1.) Land - Right of Way (ROW), 2.) Base, and 3.) Asphalt Surface.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities, if material, is included as part of the capitalized value of the assets constructed.

Tangipahoa Parish Government
Notes to the Financial Statements
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All capital assets, other than land, are depreciated using the straight-line method over the following estimated useful lives:

<u>Description</u>	<u>Estimated Lives</u>
Governmental activities -	
Roads and bridges	20 Years
Land improvements	10 Years
Buildings and building improvements	40 Years
Furniture and fixtures	5 Years
Vehicles	5 Years
Equipment	10-15 Years

K. COMPENSATED ABSENCES

Tangipahoa Parish Government has the following policy relating to vacation and sick leave:

Parish government employees are entitled to certain compensated absences based on their length of employment and overtime worked. Vested compensated absences are recorded as expenditures when the liability is incurred. Effective July 1, 2009, any vacation leave exceeding 240 hours will be paid to the employee at the time of their anniversary date at a rate of 50% of their current pay rate. No employee will accrue vacation in excess of 240 hours. Sick leave has not been accrued as the employee's right to sick leave does not vest.

The cost of compensated absences is reported on the government-wide and the governmental fund financial statements.

L. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and the proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net assets. Bond premiums and discounts, if any, as well as issuance costs, if any, are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize both premiums and discounts, if any, as well as bond issuance costs, if any, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances, if any, are reported as other financing sources while discounts on debt issuances, if any, are reported as other financing uses.

Tangipahoa Parish Government recognizes landfill closure and postclosure costs in accordance with GASB-18. The measurement and recognition for landfill costs are reported in the government-wide financial statements.

M. FUND EQUITY

Governmental fund equity is classified as fund balance. Beginning with fiscal year ending December 31, 2012, the Parish implemented GASB Statement 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- **Nonspendable:** This classification includes amounts that cannot be spent because they are either not in spendable form or they are legally contractually required to be maintained intact.

The Parish does not have anything that can be classified as Nonspendable Fund Balance.

- **Restricted:** This classification includes amounts in which the use of resources is constrained either by (a) external impositions by creditors, grantors, contributors, or laws or regulations of other governments or (b) impositions by law through constitutional provisions or enabling legislation.

The Parish has classified the following funds as restricted:

Garbage District No. 1, Health Unit, Rural Fire Protection District No.2, Road Lighting District #1, Road Lighting District #2, Road Lighting District #3, Road Lighting District #4, Road Lighting District #5, Road Lighting District #6, Road Lighting District #7, Road District No. 101 Debt Service Fund, and Sub-Road District No. 1 of Road District No. 101 Debt Service Funds are funds that are restricted by authorized millages by taxpayers.

Road & Bridge	75% of the 1% Sales Tax Levy renewed on December 19, 2008
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The following funds are restricted due to constraints of grants:

General Fund	2011 Cities Readiness Initiative Program, LRA Road Home Properties, LA R.S. 47:322.5 for Economic Development, and proceeds from sale of Road Home properties
Animal Shelter	Petfinder, PetSmart, & AISPCA Funds
Section 8 Housing	Housing Choice Voucher Program, Disaster Voucher Program, Disaster Housing Assistance Program - Katrina, Disaster Housing Assistance Program - Ike, and Tenant Based Rental Assistance
Florida Parishes Arena	BP Tourism Grant
Shelter Grant #679223	Emergency Shelter Grant Program
Strategic Prevention	Strategic Prevention Initiative Framework
CIAP	U.S. Fish and Wildlife Service Coastal Impact Assistance Program
Capital Project Grants	Smitty's donation for water line project
Juror Per Diem	Louisiana Revised Statute No. 13:3049
Witness Fee	Louisiana Revised Statute No. 15:255

Tangipahoa Parish Government
Notes to the Financial Statements
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**Homeless Prevention
and Rapid Rehousing**

Homeless Prevention and Rapid Rehousing Grant Documents

- **Committed:** This classification includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the Parish Council, which is the Parish's highest level of decision making authority. These amounts cannot be used for any other purpose unless the Parish Council removes or changes the specified use by taking the same type of action that was employed when the funds were initially committed. This classification also includes contractual obligations to the extent that existing resources have been specifically committed for use in satisfying those contractual requirements.

The parish has classified the following funds as committed:

General Fund

Rainy Day Fund created by Ordinance 99-30

Industrial Development Board

Action taken by Parish Council in 2002 to lease property to Walmart and Elmer Candy Co.

- **Assigned:** This classification includes amounts that are constrained by the Parish's intent to be used for a specific purpose but are neither restricted nor committed. This intent should be expressed by the Parish's governing body itself or a committee or official to which the governing body has delegated the authority to assign amounts to be used for specific purposes.

The parish has classified the following funds as assigned:

Animal Shelter, Criminal Court, and Florida Parishes Arena

General Fund, Road and Bridge, Garbage District No.1, Health Unit, and Animal Shelter all have funds that are restricted as a result of the Parish's Health Reimbursement Insurance Program.

- **Unassigned:** This classification is the residual fund balance for the General Fund. It also represents fund balance that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the General Fund.

The parish has classified the General Fund as unassigned.

The following funds are considered unassigned because they have a deficit in fund balances:

Job Task Force, Hazard Mitigation Grant Program, LCDBG - American Truss, LCDBG - Barrister Global, and the Long Term Recovery Fund

When fund balance resources are available for a specific purpose in multiple classifications, the Parish will generally use the most restrictive funds first in the following order: restricted, committed, assigned, and unassigned as they are needed. However, the Parish's management reserves the right to selectively spend unassigned resources first and to defer the use of the other classified funds.

N. ESTIMATES

The preparation of financial statements in conformance with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the recorded amount of the assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the report period. Actual results could differ from those estimates.

O. INTERFUND TRANSACTIONS

Quasi-external transactions are accounted for as revenues, expenditures, or expenses. Transactions that constitute reimbursements to a fund for expenditures/expenses initially made from it that are properly applicable to another fund are recorded as expenditures/expenses in the reimbursing fund and as reductions of expenditures/expenses in the fund that is reimbursed.

All other interfund transactions, except quasi-external transactions and reimbursements, are reported as transfers. For the purpose of the statement of activities, all interfund transfers between funds have been eliminated.

P. ELIMINATION AND RECLASSIFICATION

In the process of aggregating data for the statement of net assets and the statement of activities, some amounts reported as interfund activity and balances in the funds were eliminated or reclassified. Interfund receivables and payables were eliminated to minimize the "grossing up" effect on assets and liabilities within the governmental activities column.

Q. AD VALOREM TAXES

Ad valorem taxes are levied in October and billed to the taxpayers in November. Billed taxes become delinquent as of January 1st of the following year at which time an enforceable lien is attached. The taxes are generally collected in December of the current year and January and February of the ensuing year. Ad valorem taxes and related state revenue sharing are recorded in the year the taxes are billed. The Tangipahoa Parish Sheriff / Tax Collector on behalf of the parish bills, collects, and remits the property taxes based on assessed values determined by the Tangipahoa Parish Assessor.

The following is a summary of authorized and levied ad valorem taxes for the year:

	Authorized Millage	Levied Millage	Expiration Year
Parishwide Taxes:			
General Fund, Cities	2.00	1.53	Continuous
General Fund, Rural	4.00	3.06	Continuous
Special Revenue Fund:			
Health Unit Maintenance	4.00	4.00	2016
District Taxes:			
Special Revenue Funds:			
Road Lighting District Number 1	2.00	1.99	2014
Road Lighting District Number 2	16.62	5.00	2016
Road Lighting District Number 3	15.00	6.00	2019
Road Lighting District Number 4	15.29	3.50	2018
Road Lighting District Number 5	15.00	0.15	2020
Road Lighting District Number 6	15.00	6.00	2018
Road Lighting District Number 7	10.00	5.00	2016
Garbage District Number 1	10.00	10.00	2012
Fire Protection District Number 2	10.00	10.00	2013
Fire Protection District Number 2	10.00	10.00	2015
Debt Service Funds:			
Road District Number 101	Variable	4.00	2015
Sub-Road District Number 1 of 101	Variable	5.00	2015

R. SALES TAXES

In July 2008, the voters of Tangipahoa Parish approved a renewal of a one percent parish wide general sales and use tax to be levied for Tangipahoa Parish Government. The proceeds of the tax are dedicated on the basis of 75 percent for road and bridge maintenance and improvements and the remaining 25 percent for general governmental purposes. The tax as renewed in 2008 is effective December 31, 2009, through December 31, 2013.

2. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETS

The parish uses the following budget practices:

1. Preliminary budgets for the ensuing year are prepared by the director of finance during October of each year. During November, the parish council reviews the proposed budgets and makes changes as it deems appropriate. The availability of the proposed budgets are then advertised in the official journal. Prior to meeting in December, the parish holds a public hearing on the proposed budgets in order to receive comments from residents. Changes are made to the proposed budgets based on the public hearings and the desires of the parish council as a whole. The budgets are then adopted during the Council's meeting and notice is published in the official journal.
2. Unexpended appropriations lapse at year-end and must be appropriated again in the next year's budget to be expended.
3. The parish adopts budgets for the General Fund, all special revenue funds, and the internal service proprietary fund using the same basis of accounting to reflect actual revenues and expenditures recognized on a generally accepted accounting principles basis. Budgetary control is at the functional level. Within functions, the parish president has the authority to make amendments as necessary.
4. During the year, the council receives quarterly budget comparison statements that are used to control the operations of the parish. The director of finance presents necessary budget amendments to the council during the year when, in his judgement, actual operations differ materially from those anticipated in the original budget. During a regular meeting, the council reviews the proposed amendments, makes changes as it feels necessary, and formally adopts the amendments. The adoption of amendments is included in council minutes published in the official journal.

The original proposed budgets for the General Fund, the special revenue funds and the internal service proprietary fund were made available for public inspection on October 11, 2011, and were published in the official journal on December 8, 2011. A public hearing was held at the parish's headquarters on December 12, 2011. The original budgets were adopted on December 12, 2011.

The budgets of the parish were amended once during the year with the final amendment taking place on December 10, 2012.

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

B. REVENUES - ACTUAL AND BUDGET

The following individual funds had actual revenues and other sources that failed to meet budgeted amounts for the year ended December 31, 2012.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
Criminal Court	\$120,000	\$108,958	(\$11,042)	9.20%
Road Lighting #2	\$31,300	\$29,254	(\$2,046)	6.54%
Road Lighting #5	\$2,000	\$1,782	(\$218)	10.90%

The following individual funds had actual expenditures and other uses exceed the budgeted amounts for the year ended December 31, 2012.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
Homeless Prevention	\$69,415	\$74,003	(\$4,588)	6.61%
Florida Parishes Arena	\$373,686	\$398,841	(\$25,155)	6.73%
Section 8 Housing	\$2,273,963	\$2,393,441	(\$119,478)	5.25%

The Louisiana Local Government Budget Act requires a local government to amend its operating budget when the total revenue and other sources fail to meet total budgeted revenues and other sources by 5% or more and when the total expenditures and other uses exceed total budgeted expenditures and other uses by 5% or more. The Parish failed to amend the budgets for the Criminal Court, Road Lighting #2, Road Lighting #5, Homeless Prevention, Florida Parishes Arena, and Section 8 Housing Funds by an adequate amount for the fiscal year ended December 31, 2012.

The excess expenditures were funded by available fund balance.

C. FUND DEFICITS

The following individual funds have a deficit in unreserved fund equity at December 31, 2012:

	<u>Deficit Amount</u>
Special Revenue Funds:	
Jobs Task Force	\$7,015
Capital Projects Funds:	
LCDBG American Truss	\$1,144
LCDBG Barrister Global	\$852
Hazard Mitigation Program Grant	\$8,607
Long Term Recovery	\$867

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

3. DEPOSITS

At December 31, 2012, Tangipahoa Parish Government had deposits (book balances) totaling \$17,475,579 (including \$940,133 in the fiduciary fund) as follows:

Cash on hand	\$ 1,500
Non interest-bearing demand deposits	29,322
Interest-bearing demand deposits	<u>17,444,757</u>
Total	<u>\$ 17,475,579</u>

The deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

Per GASB Statement 3, as amended by GASB 40, the Parish's deposits are exposed to custodial credit risk since the collateral pledged by the fiscal agent is not held in the Parish's name.

At December 31, 2012, Tangipahoa Parish Government had \$17,947,684 in deposits (collected bank balances) with a total of \$17,908,491 in interest bearing accounts and \$39,193 in non-interest bearing accounts. The total of \$17,947,684 is secured from risk by \$509,871 of federal deposit insurance and \$17,437,813 is uninsured but collateralized with securities held by the custodial bank in the name of the fiscal agent bank.

Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by Tangipahoa Parish Government that the fiscal agent has failed to pay deposited funds upon demand.

4. RECEIVABLES

The following is a summary of receivables at December 31, 2012:

	<u>General Fund</u>	<u>Special Revenue Funds</u>	<u>Capital Projects Funds</u>	<u>Debt Service Funds</u>	<u>Total Governmental Funds</u>	<u>Internal Service Fund</u>
Taxes:						
Ad Valorem	\$1,089,499	\$ 8,979,006	\$ -	\$82,601	\$10,151,106	\$ -
Sales and Use	343,401	1,030,202	-	-	1,373,603	-
Intergovernmental:						
State Revenue Sharing	58,135	545,167	-	-	603,302	-
Other	429,345	787,350	2,189,615	-	3,406,310	-
Accounts	-	250,178	-	-	250,178	-
Other	<u>136,138</u>	<u>109,275</u>	<u>-</u>	<u>-</u>	<u>245,413</u>	<u>17,503</u>
Total	<u>\$2,056,518</u>	<u>\$11,701,178</u>	<u>\$2,189,615</u>	<u>\$82,601</u>	<u>\$16,029,912</u>	<u>\$17,503</u>

All receivables are reported at their gross value and, where appropriate, are reduced by the estimated portion that is expected to be uncollectible.

The special revenue fund accounts receivable is net of \$24,550 allowance for doubtful accounts.

Tangipahoa Parish Government
Notes to the Financial Statements
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5. INTERFUND RECEIVABLES AND PAYABLES/TRANSFERS

A. Balances due to/from other funds at December 31, 2012, consist of the following:

Due to the Health Unit from the General Fund to cover necessary expenses.	\$600,000
Due to the Health Unit from the Strategic Prevention Fund to close grant.	6,551
Due to the Admin Fund from the CIAP Fund for admin fees.	11,716
Due to the General Fund from the Criminal Court Fund to cover necessary expenses.	10,000
Due to the General Fund from the Jobs Tasks Force Fund to cover necessary expenses.	11,000
Due to the General Fund from the Hazard Mitigation Fund to cover necessary expenses.	4,000
Due to the General Fund from the American Truss Fund to cover necessary expenses.	2,000
Due to the General Fund from the Barister Global Fund to cover necessary expenses	1,000
Due to the General Fund from the Long Term Recovery Fund to cover necessary expenses	62,100
Due to the General Fund from the Capital Projects Grant Fund to cover necessary expenses.	<u>1,000</u>
Total	<u>\$709,367</u>

B. Interfund transfers at December 31, 2012, consist of the following:

From the General Fund to the Animal Shelter Fund to subsidize operations.	\$100,000
From the General Fund to the Florida Parishes Arena Fund to subsidize operations.	200,000
From the General Fund to the Homeless Prevention Fund to cover salaries provided by the grant.	25,000
From the Strategic Prevention Fund to the Health Unit to close fund and transfer excess funds back to Health Unit.	6,551
From the Master Plan Fund to the General Fund to close fund and transfer excess funds back to General Fund.	7
From the Fluker Chapel Waterworks Fund to the General Fund to transfer remaining assets to General Fund.	<u>190,160</u>
Total	<u>\$521,718</u>

Tangipahoa Parish Government
Notes to the Financial Statements
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6. CAPITAL ASSETS

The following is a summary of changes in capital assets for the fiscal year ended December 31, 2012:

	Balance 12-31-11	Increase	Decreases	Balance 12-31-12
Governmental Activities:				
Capital assets not depreciated:				
Land	\$ 3,422,712	\$ 16,000	\$ -	\$ 3,438,712
Infrastructure (Land & Base)	68,345,186	1,511,099	-	69,856,285
Construction in progress	8,685,859	8,933,678	12,720,594	4,898,943
Total capital assets not depreciated	<u>80,453,757</u>	<u>10,460,777</u>	<u>12,720,594</u>	<u>78,193,940</u>
Capital assets depreciated:				
Buildings	30,352,077	6,293,520	-	36,645,597
Infrastructure	106,643,069	6,221,460	1,861,878	111,002,651
Equipment	24,172,318	1,981,516	57,444	26,076,390
Total capital assets depreciated	<u>161,167,464</u>	<u>14,476,496</u>	<u>1,919,322</u>	<u>173,724,638</u>
Less accumulated depreciation for:				
Buildings	10,783,439	769,957	-	11,553,396
Infrastructure	47,235,483	3,968,950	395,656	50,808,777
Equipment	12,331,206	2,192,506	43,737	14,479,975
Total accumulated depreciation	<u>70,350,128</u>	<u>6,931,413</u>	<u>439,393</u>	<u>76,842,148</u>
Total capital assets depreciated, net	<u>90,817,336</u>	<u>7,545,083</u>	<u>1,479,929</u>	<u>96,882,490</u>
Total governmental activities capital assets, net	<u>\$ 171,271,093</u>	<u>\$ 18,005,860</u>	<u>\$ 14,200,523</u>	<u>\$ 175,076,430</u>

Depreciation was charged to governmental functions as follows:

General government	\$ 319,338
Culture and recreation	106,019
Public safety	1,315,410
Public works	5,005,175
Health and welfare	161,152
Capital assets held by internal service funds - charged to general government	<u>24,319</u>
Total depreciation expense - governmental activities	<u>\$6,931,413</u>

Tangipahoa Parish Government
Notes to the Financial Statements
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The following is a summary of changes in capital assets for the business-type activity for the year ended December 31, 2012:

	Balance 12-31-11	Increase	Decreases	Balance 12-31-12
Business-Type Activities:				
Capital assets not depreciated:				
Land	\$ 1,000	\$ -	\$ 1,000	\$ -
Inactive Water System	188,580	-	188,580	-
Total capital assets not depreciated	189,580	-	189,580	-
Capital assets depreciated:				
Water system	-	-	-	-
Total capital assets depreciated	-	-	-	-
Less accumulated depreciation for:				
Water system	-	-	-	-
Total accumulated depreciation	-	-	-	-
Total capital assets depreciated, net	-	-	-	-
Total business-type activities capital assets, net	\$ 189,580	\$ -	\$ 189,580	\$ -

7. RESTRICTED ASSET - CASH

Governmental Activities/Funds

High Deductible Insurance and Health Reimbursement Plan

Tangipahoa Parish Government provides to its employees, as an employment benefit, a High Deductible Health Insurance Plan (through Blue Cross Blue Shield) which is supplemented by Individual Health Reimbursement Accounts (administered by Choice Care). In addition to paying the health insurance premium for the employee, the Parish is also responsible to pay a portion of the employee's deductible. In order to properly fund this deductible portion, the parish makes monthly deposits equal to 1/12th of the parish portion of the annual deductible into a separate bank account. These funds are then transferred to Choice Care as the employees use the funds for qualifying medical expenses. Any balances remaining after the close of the deductible year are carried over to offset future plan expenses. As of December 31, 2012, the combined cash balance of this fund was \$372,646, which is presented on the Statement of Net Position as Restricted Assets - Cash.

8. COMPENSATED ABSENCES

At December 31, 2012, employees of Tangipahoa Parish Government have accumulated and vested \$484,066 of employee leave benefits, which was computed in accordance with GASB Codification Section C60. Of this amount, \$60,368 is recorded as an obligation of the General Fund, and \$365,583 is recorded as an obligation of the Special Revenue Funds. The leave liability for employees of the Internal Service Fund in the amount of \$58,115 is accounted for within these funds.

9. LEASES

The parish has no material long-term, noncancellable operating lease commitments at December 31, 2012.

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

10. LONG-TERM DEBT

A. Summary of Changes in Long-Term Debt

The following is a summary of the long-term obligation transactions for the year ended December 31, 2012:

<u>Governmental Activities:</u>	<u>Balance</u> <u>01/01/12</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance</u> <u>12/31/12</u>	<u>Due Within</u> <u>One Year</u>
General Obligation Bonds	\$ 275,000	\$ -	\$ 50,000	\$ 225,000	\$ 50,000
Certificates of Indebtedness					
- Rural Fire No. 2	1,383,740	-	291,655	1,092,085	301,180
Estimated Liability for Landfill Closure/ Postclosure Care Cost	<u>5,798,979</u>	<u>278,340</u>	<u>-</u>	<u>6,077,319</u>	<u>-</u>
Total Governmental Activities	<u>\$7,457,719</u>	<u>\$278,340</u>	<u>\$341,655</u>	<u>\$7,394,404</u>	<u>\$351,180</u>

B. Bonds and Certificates of Indebtedness:

General obligation bonds are comprised of the following individual issues:

\$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within District No. 101, due in annual installments of \$10,000 to \$30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Road District No. 101 Debt Service Fund.	<u>\$110,000</u>
\$350,000 issue of 1996 to open, construct, and improve public roads, highways, and bridges within Sub-Road District No. 1 of District No. 101, due in annual installments of \$10,000 to \$30,000 through March 1, 2016, with interest at 5.1 to 10.0 percent. Debt retirement payments are made from the Sub-Road District No. 1 of Road District No. 101 Debt Service Fund.	<u>115,000</u>
Total General Obligation Bonds	<u>\$225,000</u>

Certificates of Indebtedness, all in the name of Rural Fire Protection District No. 2 of Tangipahoa Parish, are comprised of the following individual issues at December 31, 2012:

	<u>Fire</u> <u>Department</u>	<u>Original</u> <u>Issue</u>	<u>Issue Date</u>	<u>Interest</u> <u>Rate</u>	<u>Final Payment</u> <u>Due</u>	<u>Outstanding</u>
Series 2003B	Loranger	170,000	11/07/2003	3.75%	03/01/2013	\$ 23,000
Series 2006	Natalbany	217,000	07/28/2006	4.35%	03/01/2016	115,000
Series 2007A	Natalbany	119,000	04/10/2007	4.16%	03/01/2016	67,000
Series 2007	Loranger	205,000	02/15/2007	3.98%	03/01/2016	107,000
Series 2006C	Wilmer	145,000	01/18/2007	4.11%	03/01/2016	82,000
Series 2007C	Manchac	180,000	11/20/2007	3.93%	03/01/2014	60,000
Series 2007B	Independence	250,000	11/20/2007	3.86%	03/01/2017	152,000
Series 2009A	Wilmer	92,865	03/09/2009	4.14%	03/01/2016	56,085
Series 2010A	Husser	300,000	02/05/2010	3.65%	01/01/2015	185,000
Series 2010B	Natalbany	350,000	02/05/2010	3.80%	03/01/2016	<u>245,000</u>
Total Certificates of Indebtedness						<u>\$1,092,085</u>

General obligation bonds and certificates of indebtedness are payable from an annual ad valorem tax levy. In accordance with Louisiana Revised Statute 36:562, the parish is legally restricted from incurring long-term bonded debt in excess of 10 percent of the assessed value of taxable property in the parish. At December 31, 2012, the statutory limit is \$50,650,792.

Tangipahoa Parish Government
Notes to the Financial Statements
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C. Debt Service Requirements to Maturity

The annual debt service requirements, including principal and interest, are as follows:

General Obligation Bonds:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 50,000	\$12,000	\$ 62,000
2014	55,000	8,850	63,850
2015	60,000	5,400	65,400
2016	<u>60,000</u>	<u>1,800</u>	<u>61,800</u>
	<u>\$225,000</u>	<u>\$28,050</u>	<u>\$253,050</u>

Certificates of Indebtedness:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 301,180	\$ 37,603	\$ 338,783
2014	282,725	26,188	308,913
2015	264,295	14,885	279,180
2016	210,885	5,493	216,378
2017	<u>33,000</u>	<u>637</u>	<u>33,637</u>
	<u>\$1,092,085</u>	<u>\$84,806</u>	<u>\$1,176,891</u>

11. LANDFILL CLOSURE AND POST-CLOSURE COSTS

State and federal laws and regulations require Tangipahoa Parish Government to place a final cover on its landfill site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for 30 years after closure. In addition to operating expenses relating to current activities of the landfill, an expense provision and related liability are being recognized based on the future closure and postclosure care costs that will be incurred near or after the date the landfill no longer accepts waste. The recognition of these landfill closure and postclosure care costs is based on the amount of the landfill used during the year. The estimated liability for landfill closure and postclosure care costs is \$6,077,319 as of December 31, 2012, which is based on 75.40 percent usage (filled) of the landfill. The percentage usage reflects an update in the engineering estimate of percentage usage, and the related estimated liability for landfill closure and postclosure costs required by the Louisiana Department of Environmental Quality (LDEQ) regulations for postclosure care of solid waste facilities. It is estimated that \$2,593,000 will be recognized as closure and postclosure care expenses between the date of the balance sheet and the date the landfill is expected to be filled to capacity (May 2021). The estimated total current cost of the landfill closure and postclosure care costs of \$8,060,000 is based on the amount that would be paid (with year 2012 dollars) if all equipment, facilities, and services required to close, monitor, and maintain the landfill were acquired as of December 31, 2012. However, the actual cost of closure and postclosure care may be higher due to inflation or deflation, changes in technology, or changes in landfill laws and regulations. In addition, total closure and postclosure costs, as well as estimates of percentage usage of the landfill, will change as any additional cells are permitted to accept additional waste. The aforementioned dollar amounts are based on information provided by Solo Environmental Consultants, LLC.

Tangipahoa Parish Government anticipates that the liability for closure and postclosure cost will be funded on a "pay-as-you-go basis", if allowed. The management of Tangipahoa Parish Government understands that it satisfies the Local Government financial test due to meeting the financial ratio thresholds.

Tangipahoa Parish Government
Notes to the Financial Statements
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12. PENSION PLAN

Plan Description. Substantially all full-time employees of the Tangipahoa Parish Government are members of the Parochial Employees' Retirement System of Louisiana (System), a multi-employer (cost-sharing), public employee retirement system (PERS), controlled and administered by a separate board of trustees. The System is composed of two (2) distinct plans, Plan A and Plan B, with separate assets and benefit provisions. All employees of the parish are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from parish funds and all elected parish officials are eligible to participate in the System. Under Plan A the eligibility provisions are as follows:

<u>Hired Prior to January 1, 2007</u>	<u>Hired January 1, 2007, and Later</u>
7 years and age 65	7 years and age 67
10 years and age 60	10 years and age 62
25 years and age 55	30 years and age 55
30 years and any age	

The retirement allowance is equal to three percent of the member's final average compensation multiplied by his years of creditable service. Final average compensation shall be defined as the average of the highest consecutive 36 months salary for members hired prior to January 1, 2007. For members hired January 1, 2007, and later, final average compensation shall be defined as the average of the highest consecutive 60 months salary.

Any employee who was a member of the supplemental plan only prior to the revision date (January 1, 1980) has the benefit earned for service credited prior to the revision date on the basis of one percent of final compensation plus two dollars per month for each year credited prior to the revision date, and three percent of final compensation for each year of service credited after the revision date. The retirement allowance may not exceed the greater of one hundred percent of a member's final salary or the final average compensation.

Employees who terminate with at least the amount of creditable service stated above and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established by state statute.

Employers shall pay the actuarial cost of leave conversion at the time of retirement for those members enrolled January 1, 2007, and later.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619, or by calling (225) 928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5 percent of their annual covered salary and Tangipahoa Parish Government is required to contribute at an actuarially determined rate. The current rate is 12.75 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent (except Orleans and East Baton Rouge Parishes) of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plan A and Plan B based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and Tangipahoa Parish Government are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Tangipahoa Parish Government's contributions to the System under Plan A for the years ending December 31, 2012, 2011, and 2010 were \$1,453,023, \$1,388,837, and \$1,314,450 respectively, equal to the required contributions for each year.

Tangipahoa Parish Government
Notes to the Financial Statements
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Part-time employees of the parish are members of the social security system. In addition to employee payroll deductions, parish funds are remitted to match the employee contributions. Aggregate contributions to the social security system for the year ended December 31, 2012, were \$59,813 of which \$35,658 was contributed by the parish.

13. DEFERRED COMPENSATION PLAN

Tangipahoa Parish Government offers its employees two deferred compensation plans adopted under the provisions of the Internal Revenue Code 457. One plan, with Nationwide Retirement Solutions, Inc. (formerly Public Employees Benefits Service Corporation), is available to all parish employees and permits them to defer a portion of their salaries until future years. No portion of this deferred compensation is paid by the parish. The other plan, with State of Louisiana Deferred Compensation Plan, is available only to those employees who are not members of the Parochial Employees' Retirement System of Louisiana. This plan also permits eligible parish employees to defer a portion of their salaries until future years. The parish pays 7.5% of the eligible employees' salaries into this plan.

The deferred compensation of both plans is not available to employees until termination, retirement, death, or unforeseeable emergency.

Complete disclosures relating to the State of Louisiana Deferred Compensation Plan are included in the separately issued audit report for the State of Louisiana Deferred Compensation Plan, available from the Louisiana Legislative Auditor, Post Office Box 94397, Baton Rouge, Louisiana 70804-9397.

During 2012, the parish contributed a total of \$96,375 to the State of Louisiana Deferred Compensation Plan.

14. POSTEMPLOYMENT HEALTH CARE BENEFITS

Plan Description. In accordance with Ordinance 06-26 adopted on May 8, 2006, employees who retire from the Parish with at least 7 years of service may qualify for participation in the Retirement Group Insurance Plan (RGIP). RGIP is a self-administered, single-employer, defined benefit plan. RGIP provides medical benefits to eligible retirees and their spouses. The participant must also have been covered under the Employee Group Insurance Plan for at least one year prior to retirement. A plan participant may only select coverage up to the extent that the participant had coverage under the Employee Group Insurance Plan prior to retirement. The participant may reduce coverage but may not increase coverage. RGIP does not issue a financial report; however, the entity is included in the Parish's annual financial report. You may obtain a copy of the annual financial report by contacting Jeff McKneely, Assistant Director of Finance at (985) 748-3211 or Tangipahoa Parish Government, P.O. Box 215, Amite, LA 70422.

Funding Policy. The Parish's portion of the post-retirement benefit is as follows:

<u>Years of Service</u>	<u>Parish's Portion</u>
7 - 9	None
10 - 14	25% of the total premium up to \$350 per month
15 or more	50% of the total premium up to \$350 per month

Tangipahoa Parish Government
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Once the participant and spouse are eligible for Medicare, the participant can elect to move to the Parish Medicare Supplement Plan. If elected, the Parish will pay 100% of the premium up to \$350 per month.

Annual Required Contribution (ARC). The Parish's Annual Required Contribution (ARC) is an amount actuarially determined in accordance with GASB Statement No. 45. The ARC is the sum of the Normal Cost plus the contribution to amortize the unfunded Actuarial Accrued Liability (UAAL). A level dollar, closed amortization period of 30 years (the maximum amortization period allowed by GASB 43/45) has been used for the post-employment benefits. The total ARC for fiscal year beginning January 1, 2012, is \$252,031 as set forth as below:

Normal cost	\$ 121,387
Interest on normal cost and amortization	4,855
Amortization of the UAAL	<u>125,789</u>
Annual Required Contribution (ARC)	<u>\$ 252,031</u>

Net Post-employment Benefit Obligation. The following schedule shows the Parish's net OPEB obligation for fiscal year ending December 31, 2012:

Annual Required Contribution	\$ 252,031
Interest on net OPEB obligation	47,249
Less: ARC adjustment	<u>(65,683)</u>
Annual OPEB cost	233,597
Contributions made by employer	<u>(41,285)</u>
Increase in net OPEB obligation	192,312
Beginning net OPEB obligation, December 31, 2011	<u>1,181,224</u>
Ending net OPEB obligation, December 31, 2012	<u>\$ 1,373,536</u>

The following schedule shows the Parish's annual post employment benefits (OPEB) cost, percentage of the cost contributed, and the net unfunded post employment benefits (OPEB) liability (asset):

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Percentage of Annual Cost Contributed</u>	<u>Net OPEB Obligation</u>
2008	\$302,108	7.56%	\$279,276
2009	\$297,751	10.39%	\$548,402
2010	\$348,614	10.27%	\$859,208
2011	\$361,116	10.83%	\$1,181,224
2012	\$233,597	17.67%	\$1,373,536

Funded Status and Funding Progress. During the fiscal year 2012, the Parish did not establish or contribute to a postemployment benefits plan trust. Since there is no trust, the Parish's entire actuarial accrued liability of \$2,175,152 was unfunded.

The funded status of the plan, as determined by an actuary as of January 1, 2012, was as follows:

Actuarial accrued liability (AAL)	\$2,175,152
Actuarial value of plan assets	-
Unfunded actuarial accrued liability (UAAL)	<u>\$2,175,152</u>
Funded ratio	0%

Tangipahoa Parish Government
Notes to the Financial Statements
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Schedule of Funding Progress

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Accrued Liabilities (UAAL)</u>	<u>Funded Ratio Percentage</u>
1/1/2008	N/A	\$2,309,241	\$2,309,241	0%
1/1/2009	N/A	N/A	N/A	0%
1/1/2010	N/A	\$2,403,327	\$2,403,327	0%
1/1/2011	N/A	N/A	N/A	0%
1/1/2012	N/A	\$2,175,152	\$2,175,152	0%

Actuarial Methods and Assumptions. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multiyear trend information that shows whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

In the January 1, 2012, Parish actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4% investment rate of return and initial annual healthcare cost trend rate of 6.30% and 6.30% for pre-Medicare and Medicare eligible employees, respectively, scaling down to ultimate rates of 4% per year. The RP 2000 Mortality Table was used in making actuarial assumptions. Retirement rate assumptions differ by employment group and date of plan participation. The Parish's unfunded actuarial accrued liability is being amortized over 30 years using a level dollar basis. The remaining amortization period at December 31, 2012, is 25 years.

Tangipahoa Parish Government
Notes to the Financial Statements
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15. FUND BALANCES

Fund balances for governmental funds as of December 31, 2012, consist of the following:

	<u>General Fund</u>	<u>Road and Bridge Funds</u>	<u>Garbage District No. 1 Fund</u>	<u>Rural Fire Protection District No. 2</u>	<u>Health Unit</u>	<u>CIAP</u>	<u>Other Governmental Funds</u>
<u>Restricted:</u>							
Grant provisions	\$ 6,324	\$ -	\$ -	\$ -	\$ -	\$3,276	\$1,680,304
Sale of Road Home properties	9,595	-	-	-	-	-	-
Economic development	100,000	-	-	-	-	-	-
Property tax millage	-	-	2,993,676	4,511,492	4,001,525	-	1,562,673
Sales tax levy	-	8,893,347	-	-	-	-	-
PetSmart/Petfinder/ AISCPA donation	-	-	-	-	-	-	11,476
Smitty's donation	-	-	-	-	-	-	25
Debt Service	-	-	-	-	-	-	135,462
Juror and Witness Fees	-	-	-	-	-	-	658,014
Hazmat	-	-	-	4,699	-	-	-
<u>Committed:</u>							
Rainy Day Fund	916,997	-	-	-	-	-	-
Industrial Dev. Board	-	-	-	-	-	-	37,698
<u>Assigned:</u>							
Animal Control Services	-	-	-	-	-	-	15,241
Criminal Court Fees	-	-	-	-	-	-	273
Health Reimbursement Insurance Program	124,372	144,227	43,362	-	27,161	-	16,266
<u>Unassigned:</u>	<u>324,937</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>28,097</u>
Total	<u>\$1,482,225</u>	<u>\$9,037,574</u>	<u>\$3,037,038</u>	<u>\$4,516,191</u>	<u>\$4,028,686</u>	<u>\$3,276</u>	<u>\$4,145,529</u>

16. LITIGATION AND CLAIMS

At December 31, 2012, the parish is involved in litigation or is aware of various claims totaling an undetermined amount. Legal counsel for Tangipahoa Parish Government has determined that the losses (if any) cannot be reasonably estimated at this time; accordingly, no liability has been recorded in these financial statements.

Claims and litigation costs of \$8,562 were paid in the current year and recorded as a current year expenditure in the Road & Bridge Fund.

Tangipahoa Parish Government
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17. COMPENSATION PAID PARISH PRESIDENT AND COUNCIL/BOARD MEMBERS

The schedule of compensation paid is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Louisiana Legislature.

Compensation paid to the Parish President and Council members for the year ended December 31, 2012, is as follows:

Gordon Burgess, President	\$126,321
Ronald Bankston	19,200
Carlo Bruno	19,200
Bobby Cortez	19,200
Trent Forrest	19,200
Harry Lavine	19,200
Michael Petitto	6,400
Louis Joseph	12,800
Nicholas Muscarello Sr.	19,200
Lionel Wells	19,200
Greg Varnado	19,200
David Vial	19,200
	<u>\$318,321</u>

Tangipahoa Parish Government
Notes to the Financial Statements
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18. RESTATED FUND BALANCE / NET POSITION

- A. The following funds beginning fund balance has been restated to reflect the retroactive recording of prior period adjustments to the December 31, 2011, balance:

General Fund

Fund balance at December 31, 2011	\$1,400,718
Correct accrual of prior year receivable	2,799
UCC Grant Revenue received for prior years	84,945
Correct prior year worker's comp payable	791
Refund of insurance deposit from Travelers	2,500
Fund balance at December 31, 2011, as restated	<u>\$1,491,753</u>

Road and Bridge Fund

Fund balance at December 31, 2011	\$6,168,846
Refund of insurance deposit from Travelers	5,000
Correct prior year worker's comp payable	4,041
Close out PW 4548 from prior years	572
Fund balance at December 31, 2011, as restated	<u>\$6,178,459</u>

Garbage District No. 1 Fund

Fund balance at December 31, 2011	\$3,347,940
Correct prior year worker's comp payable	918
Fund balance at December 31, 2011, as restated	<u>\$3,348,858</u>

Health Unit Fund

Fund balance at December 31, 2011	\$4,000,221
Correct prior year worker's comp payable	146
Fund balance at December 31, 2011, as restated	<u>\$4,000,367</u>

Other Governmental Funds

Fund balance at December 31, 2011	\$3,963,113
Correct accrual of prior year receivable	(28,150)
Payment on prior year grants	(4,831)
Receipt of prior year grant	5,032
Void prior year old outstanding checks	7,578
Correct accrual of prior year receivable	32,677
Close out DHAP IKE	83,867
Repayment to HUD	(3,063)
Fund balance at December 31, 2011, as restated	<u>\$4,056,223</u>

- B. The following fund's beginning net position have been restated to reflect retroactive recording of prior period adjustments to the December 31, 2012, balance:

Proprietary Fund / Internal Service Fund

Net position at December 31, 2011	\$106,475
Refund of insurance deposit from Travelers	2,500
Net position at December 31, 2011, as restated	<u>\$108,975</u>

Tangipahoa Parish Government
Notes to the Financial Statements
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C. The beginning net position of the Governmental Funds has been restated:

Net Position at December 31, 2011	\$186,093,121
Effect of prior period adjustments made to fund balance	<u>196,890</u>
Net Position at December 31, 2011, as restated	<u>\$186,290,011</u>

19. RESTRICTED NET POSITION

As of December 31, 2012, governmental activities had restricted net position as explained below:

General Fund \$1,141,369; \$916,997 in compliance with Ordinance 99-30 establishing a reserve fund, \$124,372 for funding of the Healthcare Reimbursement Account, and \$100,000 to be used in accordance with L.R.S. 47:322.5.

Road and Bridge Fund \$144,227 for funding of the Healthcare Reimbursement Account.

Garbage District No. 1 Fund \$43,362 for funding of the Healthcare Reimbursement Account.

Rural Fire Protection District No. 2 Fund \$4,699 for hazmat expenditures.

Health Unit Fund \$27,161 for funding of the Healthcare Reimbursement Account.

Animal Shelter Fund \$16,266 for funding of the Healthcare Reimbursement Account.

At December 31, 2012, the Road Light 101 Sinking Fund had restricted net position of \$63,512 for debt service.

At December 31, 2012, the Road Light 101 Sub-sinking Fund had restricted net position of \$71,950 for debt service.

At December 31, 2012, the Internal Service Fund had restricted net position of \$17,258 for funding of the Healthcare Reimbursement Account.

20. CONTRACT WITH SDT WASTE & DEBRIS SERVICES, L.L.C. / PROGRESSIVE WASTE SOLUTIONS OF LA, INC.

Tangipahoa Parish Government entered into an agreement with SDT Waste & Debris Services, L.L.C. on May 22, 2009, for the collection, transportation, and disposal of residential solid waste, a five year contract through April 30, 2014. SDT Waste & Debris Services, L.L.C. will pay a disposal cost of \$12 per ton for residential waste collected in unincorporated areas.

On December 20, 2011, Progressive Waste Solutions of LA, Inc. bought SDT Waste & Debris Services, LLC and assumed the solid waste contract with Tangipahoa Parish Government. On June 25, 2012, Tangipahoa Parish Government introduced Ordinance No. 12-32 to assign the contract with SDT Waste & Debris Services, LLC to Progressive Waste Solutions of LA, Inc. This ordinance was adopted on July 13th, 2012.

21. RISK MANAGEMENT

Tangipahoa Parish Government is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The parish attempts to minimize risk from significant losses through the purchase of commercial insurance. The parish's general liability policy does not cover the Section 8 program or Fire Protection District No. 2, nor does it cover road hazards.

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

22. CUSTODIAL CREDIT RISK - DEPOSITS

Custodial credit risk is the risk that in the event of a bank failure, the parish's deposits may not be returned to it. The parish does not have a deposit policy for custodial credit risk. As of December 31, 2012, \$17,437,813 of the parish's bank balances are exposed to custodial credit risk. The \$17,437,813 is uninsured but collateralized with securities held by the pledging institution's trust department or agent, but not in the parish's name.

23. OTHER MATTERS

INDUSTRIAL DEVELOPMENT BOARD In 2002, the parish purchased the Wal Mart Warehouse and Distribution Center land and a portion of the improvements thereon for \$3,995,000 these funds were received by the parish from the Louisiana Division of Administration Facility Planning and Control. The parish then conveyed title to the land and improvements to the Industrial Development Board of the Parish of Tangipahoa, Inc. The Industrial Development Board of the Parish of Tangipahoa, Inc. (Board) is a non-profit corporation formed under the provisions of L.R.S.-51:1151.

The Board issued \$40,000,000 of taxable revenue bonds. These bonds were purchased by Wal-Mart Stores, Inc.

The Board leased the land and improvements to Wal-Mart Stores East, Inc. for lease payments sufficient to pay the principal and interest on the bonds. The lease agreement also provides for the payment of \$550,000 to the Board in the initial year of the lease and a payment of \$275,000 in February of each year thereafter. The lease term is from October 1, 2003, through February 1, 2021. At the end of the lease term, or earlier if Wal-Mart Stores East, Inc. elects, the interest of the Board in the leased facility will be sold to Wal-Mart Stores East, Inc.

The Board also issued \$4,000,000 of taxable revenue bonds to finance the expansion of Elmer Candy Corporation. The Board acquired the expansion and then entered into a lease agreement with Elmer Candy Corporation for lease payments sufficient to pay the principal and interest on the bonds. Under the lease, \$833 is also payable monthly to the Tangipahoa Parish Government. The lease term is from October 1, 2002, through December 1, 2022. Elmer Candy Corporation has the option to purchase the leased facilities upon payment in full of the bonds.

Neither the outstanding bonds payable of \$40,229,752 nor the ownership of the Wal-Mart and Elmer facilities are reflected in the accompanying financial statements.

24. CHANGE IN AGENCY FUNDS

A summary of changes in agency fund deposits due others follows:

	Balance 01-01-12	Additions	Reductions	Balance 12-31-12
Payroll liability fund	<u>\$894,242</u>	<u>\$10,799,113</u>	<u>\$10,753,222</u>	<u>\$940,133</u>

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

25. COMMITMENTS AND CONTINGENCIES

The Parish is self insured for unemployment claims. A reserve of \$52,481 is recorded in the payroll liability fund at December 31, 2012. Unemployment expenses of \$15,943 were paid from the fund during the year ending December 31, 2012. \$16,179 of additional reserves were accrued during 2012.

The parish had four active construction projects as of December 31, 2012. At year end the commitments with the contractors are as follows:

	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Barriere Construction Company, LLC - Phase 16 Overlay	\$294,274	\$3,466,501
U.S. Fusion Hughes Supply - Construction of Cell 12 Phase 11 East - landfill	394,180	2,925
Bertucci Contracting Company, LLC - CIAP-Shoreline Protections	1,489,968	3,310,328
Kent Construction, Inc. - New Fire Station No. 4 for Tangipahoa Parish Rural Fire Protection District No. 2	718,863	26,137

The parish had nine professional services contracts as of December 31, 2012. At year end the commitment with the contractor was as follows:

Hunt, Guillot & Associates - Club Deluxe Widening	91,528	148,472
Hunt, Guillot & Associates - Environmental Health - permit office	83,050	43,450
Hunt, Guillot & Associates - Agricultural Event Center	60,502	29,498
Hunt, Guillot & Associates - Rail Spur	8,700	16,300
Linfield, Hunter, Junius, Inc. - Club Deluxe - Subsurface Drainage System	29,075	125,235
Holly & Smith - Safe Room	2,214	42,059
Gasaway Gasaway Bankston Architects - New Fire Station No. 4 for Tangipahoa Parish Rural Fire Protection District No. 2	70,598	2,437
HDR - CIAP - Shoreline Protection	702,320	75,680
Spangler Engineering, LLC - Ash Street Drainage	50,409	4,000

26. LCDBG - AMERICAN TRUSS

The Tangipahoa Parish Government (herein referred to as "CONTRACTOR") entered into an agreement with the Division of Administration (herein referred to as "DIVISION") acting through the Louisiana Community Development Block Grant Program on August 11, 2009, and entered into an agreement with American Truss, LLC (herein referred to as "DEVELOPER") on September 18, 2009. The CONTRACTOR was allowed to utilize \$557,742 of Louisiana Community Development Block Grant (LCDBG) funds for the purpose of providing infrastructure including roadway improvements for the sole purpose of facilitating the operation of the DEVELOPER located near Hammond, Louisiana.

As part of the agreement the DEVELOPER was to provide a total of fifty-three (53) full time job equivalents. At least fifty-one percent (51%) of the jobs were to be filled with persons who at the time of their employment will be persons of low to moderate income families. There is a contract provision that requires funds that were paid out to the CONTRACTOR be reimbursed to the DIVISION in the event that any activities authorized by the agreement are not performed in accordance with the agreement.

As of April 1, 2011, the DEVELOPER has ceased operations having never met its employment requirement. Per Julie Bordelon with Bordelon, Foreman, & Associates, Inc., as of June 21, 2011, the DEVELOPER has filed bankruptcy. The DIVISION has decided the Parish will be liable for the repayment of the LCDBG grant funds in the amount of \$450,773 if a new tenant is not found. As of December 31, 2012, a new tenant has not been found. The DIVISION has not requested repayment either.

27. SUBSEQUENT EVENTS

Subsequent to December 31, 2012, the following events occurred:

Tangipahoa Parish Government

- On February 25, 2013, the Council adopted T.P. Ordinance No. 13-05 authorizing the issuance of Revenue Bonds not to exceed \$2,400,000 for the landfill.
- Council accepted low bid of \$3,359,000 from Frank Anzalone General Contractors, Inc. for the construction of the Environmental Services building.
- Council accepted low bid of \$28,917.50 from Spinks Construction, Inc. for CWEF Water Distribution System additions.
- On April 22, 2013, Council approved the purchase of one Chevrolet Impala for \$18,351 and two Dodge Ram 1500 trucks for \$18,929.50 each off of state contract.
- On April 22, 2013, Council adopted TP Ordinance No. 13-14 authorizing the sale of land.
- On May 13, 2013, Council approved the purchase of one 2013 Ford F350 truck for \$27,148 off state contract.
- On May 13, 2013, Council accepted low bid of \$1,561,483.48 from Environmental Specialties International, Inc. for the landfill closure material.
- On May 13, 2013, Council accepted low bid of \$668,196.66 from Environmental Specialties International, Inc. for the installation of the new landfill closure material.
- On May 28, 2013, Council accepted bid from Louisiana CAT for two 24 ft. long 20 ton trailers in the amount of \$42,046 total.

Tangipahoa Parish Government
Notes to the Financial Statements
As of and for the Year Ended December 31, 2012

Tangipahoa Parish Rural Fire Protection District No. 2 (Fire District No. 2)

- Fire Board approved purchase of a Chevy Tahoe off of state contract in the amount of \$27,571 for the fire administrator.
- Fire Board approved Kentwood to purchase a Ford F250 4x4 off of the City of Alexandria's state contract for \$32,944.
- Fire Board approved Eight Ward to purchase 7 computers, 1 server, and 1 printer / copier / fax / scanner.
- Fire Board approved Manchac to declare 14 assets surplus. These assets were destroyed by Hurricane Isaac.
- Ponchatoula Volunteer Fire Department has requested that Fire District No. 2 remit the 2% Fire Insurance Tax that was transferred from Ponchatoula Volunteer Fire Department, Inc. to Fire District No. 2 in 2013. Legal counsel for Tangipahoa Parish Rural Fire Protection District No. 2 has been requested to review the matter.

Required Supplementary Information (Part II)

Tangipahoa Parish Government
Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
For the Year Ended December 31, 2012

EXHIBIT B-1

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Favorable (Unfavorable)
Revenues				
Taxes:				
Sales	\$ 4,000,000	\$ 4,300,000	\$ 4,220,840	\$ (79,160)
Ad valorem	1,100,000	1,115,000	1,168,572	53,572
Franchise	520,000	545,000	550,161	5,161
Licenses, permits, and rent	1,444,550	1,376,050	1,396,707	20,657
Intergovernmental revenues:				
Federal funds:				
Federal grants	550,000	562,000	817,609	255,609
State funds:				
State revenue sharing	85,000	85,000	88,638	3,638
Severance tax	160,000	162,000	229,867	67,867
State appropriations	100,000	100,000	100,000	-
State grants	220,000	50,000	53,900	3,900
Alcoholic beverage tax	40,000	42,000	38,718	(3,282)
Fees, charges, and commissions for services	90,000	110,000	112,829	2,829
Fines and forfeitures	1,000	1,000	100	(900)
Interest	4,000	4,000	3,707	(293)
Other revenues	1,482,000	1,858,000	2,061,044	203,044
Total Revenues	9,796,550	10,310,050	10,842,692	532,642
Expenditures				
General government:				
Legislative	1,771,850	1,810,050	729,410	1,080,640
Judicial	3,739,300	3,866,900	4,066,094	(199,194)
Elections	167,450	182,200	179,696	2,504
Finance and administrative	1,194,022	1,410,474	954,679	455,795
Public safety	1,220,200	1,473,500	2,693,909	(1,220,409)
Public works	934,850	1,491,250	1,455,839	35,411
Health and welfare	517,550	532,750	573,442	(40,692)
Culture and recreation	-	-	67,244	(67,244)
Total Expenditures	9,545,222	10,767,124	10,720,313	46,811
(Deficiencies) of Revenues Over Expenditures	251,328	(457,074)	122,379	579,453
Other Financing Sources (Uses)				
Sale of fixed assets	-	-	1,200	1,200
Operating transfers in	-	190,000	190,168	168
Operating transfers out	-	-	(325,000)	(325,000)
Proceeds from volunteer fire departments	-	-	1,725	1,725
Total Other Financing Sources (Uses)	-	190,000	(131,907)	(321,907)
Net Change in Fund Balance	251,328	(267,074)	(9,528)	257,546
Fund Balance, Beginning of Year, Restated	1,400,719	1,491,753	1,491,753	-
Fund Balance at End of Year	\$ 1,652,047	\$ 1,224,679	\$ 1,482,225	\$ 257,546

See auditor's report.

Tangipahoa Parish Government
Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
ROAD AND BRIDGE FUNDS
For the Year Ended December 31, 2012

EXHIBIT B-2

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
Revenues				
Taxes:				
Sales	\$ 12,050,000	\$ 12,950,000	\$ 12,662,520	\$ (287,480)
Intergovernmental revenues:				
Federal grants	-	16,500	481,603	465,103
State funds:				
Parish transportation funds	850,000	850,000	933,697	83,697
Interest	18,500	27,000	32,761	5,761
Other revenues	5,000	5,000	4,662	(338)
Total Revenues	12,923,500	13,848,500	14,115,243	266,743
Expenditures				
Public works	12,448,550	13,405,540	11,256,128	2,149,412
Total Expenditures	12,448,550	13,405,540	11,256,128	2,149,412
Net Change in Fund Balance	474,950	442,960	2,859,115	2,416,155
Fund Balance, Beginning of Year, Restated	6,168,846	6,178,459	6,178,459	-
Fund Balance at End of Year	\$ 6,643,796	\$ 6,621,419	\$ 9,037,574	\$ 2,416,155

See auditor's report.

Tangipahoa Parish Government
Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
GARBAGE DISTRICT NO. 1
For the Year Ended December 31, 2012

EXHIBIT 8-3

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Favorable
				(Unfavorable)
Revenues				
Taxes:				
Ad valorem	\$ 2,331,000	\$ 2,348,000	\$ 2,489,049	\$ 141,049
Federal funds:				
Federal grants	-	-	15,130	15,130
State funds:				
State revenue sharing	240,000	240,000	247,627	7,627
Fees, charges, and commissions				
for services	3,070,000	3,080,000	2,789,434	(290,566)
Interest	20,000	14,000	13,645	(355)
Other revenues	-	13,000	37,839	24,839
Total Revenues	5,661,000	5,695,000	5,592,724	(102,276)
Expenditures				
Sanitation	7,097,600	6,182,660	5,904,544	278,116
Total Expenditures	7,097,600	6,182,660	5,904,544	278,116
(Deficiencies) of Revenues				
Over Expenditures	(1,436,600)	(487,660)	(311,820)	175,840
Other Financing Sources				
Sale of fixed assets	12,000	14,000	-	(14,000)
Total Other Financing Sources	12,000	14,000	-	(14,000)
Net Change in Fund Balance	(1,424,600)	(473,660)	(311,820)	161,840
Fund Balance at Beginning of Year	3,347,939	3,348,858	3,348,858	-
Fund Balance at End of Year	\$ 1,923,339	\$ 2,875,198	\$ 3,037,038	\$ 161,840

See auditor's report.

Tangipahoa Parish Government
 Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
RURAL FIRE PROTECTION DISTRICT NO. 2
 For the Year Ended December 31, 2012

EXHIBIT B-4

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 4,629,100	\$ 4,644,100	\$ 4,654,130	\$ 10,030
State funds:				
State revenue sharing	450,000	450,000	452,548	2,548
State appropriations	270,000	270,000	263,838	(6,162)
Interest	26,000	26,000	23,668	(2,332)
Other revenues	8,400	8,400	16,800	8,400
Total Revenues	<u>5,383,500</u>	<u>5,398,500</u>	<u>5,410,984</u>	<u>12,484</u>
<u>Expenditures</u>				
Public safety	<u>5,383,500</u>	<u>5,547,500</u>	<u>5,451,194</u>	<u>96,306</u>
Total Expenditures	<u>5,383,500</u>	<u>5,547,500</u>	<u>5,451,194</u>	<u>96,306</u>
Net Change in Fund Balance	-	(149,000)	(40,210)	108,790
Fund Balance at Beginning of Year	<u>4,556,401</u>	<u>4,556,401</u>	<u>4,556,401</u>	-
Fund Balance at End of Year	<u>\$ 4,556,401</u>	<u>\$ 4,407,401</u>	<u>\$ 4,516,191</u>	<u>\$ 108,790</u>

Tangipahoa Parish Government
Amite, Louisiana
BUDGETARY COMPARISON SCHEDULE
HEALTH UNIT
For the Year Ended December 31, 2012

EXHIBIT B-5

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>	<u>Amounts</u>	<u>Final Budget</u>
				<u>Favorable</u>
				<u>(Unfavorable)</u>
<u>Revenues</u>				
Taxes:				
Ad valorem	\$ 1,900,000	\$ 2,030,000	\$ 2,040,581	\$ 10,581
Federal funds:				
Federal grants	2,658,000	218,000	317,875	99,875
State funds:				
State revenue sharing	130,000	130,000	131,061	1,061
Interest	17,000	17,000	18,558	1,558
Other Revenues	-	-	687	687
Total Revenues	4,705,000	2,395,000	2,508,762	113,762
<u>Expenditures</u>				
Health and Welfare	5,468,750	2,489,650	2,486,994	2,656
Total Expenditures	5,468,750	2,489,650	2,486,994	2,656
Excess (Deficiencies) of Revenues				
Over Expenditures	(763,750)	(94,650)	21,768	116,418
<u>Other Financing Sources</u>				
Operating transfers in	-	-	6,551	6,551
Total Other Financing Sources	-	-	6,551	6,551
Net Change in Fund Balance	(763,750)	(94,650)	28,319	122,969
Fund Balance at Beginning of Year	4,000,221	4,000,367	4,000,367	-
Fund Balance at End of Year	\$ 3,236,471	\$ 3,905,717	\$ 4,028,686	\$ 122,969

Other Supplementary Information

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Housing and Urban Development:</u>			
Direct Program:			
Section 8 Housing Choice Vouchers	14.871	-	\$ 2,168,081
Passed through Louisiana Division of Administration, Office of Community Planning and Development			
Louisiana Community Development Block Grant	14.228	-	621,600
Homeless Prevention and Rapid Re-housing Program	14.257	-	<u>69,415</u> *
 Total U.S. Department of Housing and Urban Development			 <u>2,859,096</u>
<u>U.S. Department of Homeland Security:</u>			
Passed through U.S. Department of Housing and Urban Development			
Disaster Housing Assistance Program	97.109	-	215,960
Passed through Louisiana Governor's Office of Homeland Security and Emergency Preparedness			
Citizens Corp	97.053	-	1,804
State Homeland Security Program	97.067	2012	31,170
State Homeland Security Program	97.067	2011	107,654
State Homeland Security Program	97.067	2010	63,012
Hazard Mitigation Grant Program-Safe Room	97.039	1786-105-0018	1,660
Hazard Mitigation Grant Program-Courthouse	97.039	1603-105-0004	4,875
Hazard Mitigation Grant Program-Club Deluxe Rd Drainage	97.039	1603-105-0011	29,075
Hazard Mitigation Grant Program-Courthouse Annex	97.039	1603-105-0003	1,899
Hazard Mitigation Grant Program-Sumner High Gym	97.039	1603-105-0013	2,155
Hazard Mitigation Grant Program-Criminal Justice Building	97.039	1603-105-0016	3,208
Hazard Mitigation Grant Program-Hammond Fire Station	97.039	1603-105-0017	68,333
Hazard Mitigation Grant Program-Ponchatoula Drainage	97.039	1786-105-0008	37,807
Hurricane ISAAC	97.036	-	<u>586,162</u>
Total U.S. Department of Homeland Security			<u>1,154,774</u>
<u>U.S. Department of Health and Human Services:</u>			
Passed through Louisiana Department of Health and Hospitals			
Maternal and Child Health Federal Consolidated Programs	93.110	-	240,688
Community Readiness Initiative Grant	93.283	-	4,385
Community Readiness Initiative Grant	93.283	-	13,419
Health Resources and Services Administration Grant	93.887	-	<u>94,352</u>
Total U.S. Department of Health and Human Services			<u>352,844</u>

(Continued)

TANGIPAHOA PARISH GOVERNMENT
Amite, Louisiana
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For the Year Ended December 31, 2012

<u>Federal Grantor/Pass-Through Grantor/Program Title</u>	<u>Federal CFDA Number</u>	<u>Pass-Through Entity Identifying Number</u>	<u>Federal Expenditures</u>
<u>U.S. Department of Transportation:</u>			
Passed through State of Louisiana Department of Transportation & Development			
Public Transportation Operating Assistance Program	20.509	-	263,094
Intersection Safety Improvements	20.600	737-53-0001	16,468
Road Safety Improvements	20.600	737-53-0008	134,158
Passed through Louisiana Department of Public Safety and Corrections			
Highway Safety Grant	20.601	2012-70-05	17,038
Highway Safety Grant	20.601	2013-10-15	8,012
Total U.S. Department of Transportation			<u>438,770</u>
<u>U.S. Department of the Interior:</u>			
Direct Program:			
Coastal Impact Assistance Program	15.426	MO9AF16181	<u>1,589,955</u>
Total U.S. Department of Interior			<u>1,589,955</u>
<u>U.S. Department of the Energy:</u>			
Passed through Louisiana Department of Natural Resources Energy Efficiency and Conservation Block Grant Program	81.128	EEA-1050	<u>56,532</u> *
Total U.S. Department of Energy			<u>56,532</u>
Total Expenditures of Federal Awards			<u>\$ 6,451,971</u>

* This program contains Recovery Act funding.

This schedule of expenditures of federal awards includes the federal grant activity of Tangipahoa Parish Government and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*.

(Concluded)

Tangipahoa Parish Government
Amite, Louisiana

EXHIBIT C-1

FINANCIAL DATA SCHEDULE
BALANCE SHEET
December 31, 2012

Line Item #	Account Description	Housing Choice Voucher 14,871	Disaster Housing Assistance Program 97,109	Disaster Housing Assistance Program DH.IKE	TOTAL
ASSETS:					
CURRENT ASSETS:					
111	Cash-unrestricted	\$ 210,328	\$ 331,248	\$ 1,047,853	\$ 1,589,429
113	Cash-other restricted	212,685	-	-	212,685
100	Total Cash	423,013	331,248	1,047,853	1,802,114
122	Accounts receivable - HUD other projects	-	-	32,677	32,677
150	TOTAL CURRENT ASSETS	423,013	331,248	1,080,530	1,834,791
190	TOTAL ASSETS	<u>\$423,013</u>	<u>\$ 331,248</u>	<u>\$1,080,530</u>	<u>\$1,834,791</u>
LIABILITIES AND EQUITY:					
LIABILITIES:					
CURRENT LIABILITIES					
312	Accounts payable ≤ 90 days	\$ 1,879	\$ -	\$ -	\$ 1,879
313	Accounts payable > 90 days	5,238	-	-	5,238
321	Accrued wage/payroll taxes payable	10,199	-	2,400	12,599
331	Accounts payable - HUD PHA programs	141,554	-	-	141,554
332	Accounts payable - PHA Projects	1,066	-	-	1,066
310	TOTAL CURRENT LIABILITIES	159,936	-	2,400	162,336
300	TOTAL LIABILITIES	<u>159,936</u>	<u>-</u>	<u>2,400</u>	<u>162,336</u>
EQUITY:					
509.3	Restricted Fund Balance	263,077	331,248	1,078,130	1,672,455
513	TOTAL EQUITY/NET ASSETS	263,077	331,248	1,078,130	1,672,455
600	TOTAL LIAB and EQUITY/NET ASSETS	<u>\$423,013</u>	<u>\$ 331,248</u>	<u>\$1,080,530</u>	<u>\$1,834,791</u>

Tangipahoa Parish Government
Amite, Louisiana

EXHIBIT C-2

FINANCIAL DATA SCHEDULE
REVENUE AND EXPENSES
For the Year Ended December 31, 2012

Line Item #	Account Description	Housing Choice Voucher 14,871	Disaster Voucher Program 14,DVP	HOME Investment Partnerships Program 14,239	Disaster Housing Assistance Program 97,109	Disaster Housing Assistance Program DH,IKE	TOTAL
	REVENUE:						
70600	HUD PHA operating grants	\$2,134,982	\$ -	\$ -	\$ -	\$ -	\$2,134,982
70800	Other government grants	-	-	-	-	40,974	40,974
71100	Investment income - unrestricted	951	-	-	43	791	1,785
71400	Fraud recovery	3,198	-	-	-	-	3,198
71500	Other revenue	68,568	-	-	-	-	68,568
72000	Investment income - restricted	8,563	-	-	-	-	8,563
70000	TOTAL REVENUE	<u>2,216,262</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>41,765</u>	<u>2,258,070</u>
	EXPENSES:						
91100	Administrative salaries	108,441	-	-	-	99,022	207,463
91200	Auditing fees	3,000	-	-	-	13,000	16,000
91310	Bookkeeping fee	2,106	-	-	-	2,767	4,873
91500	Employee benefit contributions - administrative	41,897	-	-	-	43,909	85,806
91600	Office expenses	16,298	-	-	-	9,868	26,166
91800	Travel	5,006	-	-	-	3,682	8,688
93200	Electricity	1,272	-	-	-	-	1,272
94200	Ordinary maintenance & operations - materials & other	2,884	-	-	-	-	2,884
96110	Property insurance	982	-	-	-	-	982
96130	Workmen's compensation	525	-	-	-	454	979
96140	All other insurance	-	-	-	-	2,284	2,284
96200	Other general expenses	915	-	-	-	-	915
96900	TOTAL OPERATING EXPENSES	<u>183,326</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>174,986</u>	<u>358,312</u>
97000	EXCESS (DEFICIENCY) OF REVENUE OVER (UNDER)						
	OPERATING EXPENSES	<u>2,032,936</u>	<u>-</u>	<u>-</u>	<u>43</u>	<u>(133,221)</u>	<u>1,899,758</u>
97300	Housing assistance payments	1,921,971	-	-	-	40,974	1,962,945
97350	HAP portability in	62,784	-	-	-	-	62,784
90000	TOTAL EXPENSES	<u>2,168,081</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>215,960</u>	<u>2,384,041</u>
10000	EXCESS (DEFICIENCY) OF TOTAL REVENUE OVER (UNDER)						
	TOTAL EXPENSES	48,181	-	-	43	(174,195)	(125,971)
11030	Beginning equity	204,498	8,055	2,337	325,325	1,137,153	1,677,368
11040	Prior period adjustments	10,398	(8,055)	(2,337)	5,880	115,172	121,058
	TOTAL EQUITY	<u>\$ 263,077</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 331,248</u>	<u>\$1,078,130</u>	<u>\$1,672,455</u>
11170	Administrative fee equity	\$ 50,392					
11180	Housing assistance payments equity	212,685					
	TOTAL EQUITY	<u>\$ 263,077</u>					
11190	Unit months available	4,104	-	-	-	96	4,200
11210	Number of unit months leased	4,106	-	-	-	96	4,202

Other Independent Auditor's Reports and Findings



LEE GRAY
CERTIFIED PUBLIC ACCOUNTANT
WWW.LEEGRAYCPA.COM

601 COURTNEY DRIVE
P. O. Box 368
AMITE, LOUISIANA 70422

PHONE (985) 748-9067
FAX (985) 748-4370
E-MAIL: LG@LEEGRAYCPA.COM

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL
OVER FINANCIAL REPORTING AND ON COMPLIANCE
AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

To the Parish President and Members
of the Tangipahoa Parish Council
Tangipahoa Parish Government
Amite, Louisiana

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, the blended component units, and the aggregate remaining fund information of the Tangipahoa Parish Government, Louisiana, as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the Tangipahoa Parish Government, Louisiana's basic financial statements and have issued my report thereon dated June 26, 2013.

The financial statements do not include financial data for the Parish's legally separate component units, except for the blended component units. Accounting principles generally accepted in the United States of America require the financial data for those component units to be reported with the financial data of the Parish's primary government unless the Parish also issues financial statements for the financial reporting entity that include the financial data for its component units. The Parish has not issued such reporting entity financial statements. Because of this departure from accounting principles generally accepted in the United States of America, the assets, liabilities, net assets, revenues, and expenses of the aggregate discretely presented component units are unknown. In addition, the assets, liabilities, fund balances, revenues, and expenditures of the aggregate remaining fund information would have increased by an indeterminable amount.

Internal Control Over Financial Reporting

In planning and performing my audit of the financial statements, I considered the Tangipahoa Parish Government's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Tangipahoa Parish Government's internal control. Accordingly, I do not express an opinion on the effectiveness of the Tangipahoa Parish Government's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Tangipahoa Parish Government
Independent Auditor's Report on Internal Control
and on Compliance and Other Matters

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Tangipahoa Parish Government's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit and, accordingly, I do not express such an opinion. The results of my tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of current year audit findings as finding 12-01.

Purpose of This Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance.

This report is intended solely for the information and use of the governing council, management, others within the entity, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant

June 26, 2013



LEE GRAY
CERTIFIED PUBLIC ACCOUNTANT

601 COURTNEY DRIVE
P. O. Box 368
AMITE, LOUISIANA 70422

WWW.LEEGRAYCPA.COM

PHONE (985) 748-9067
FAX (985) 748-4370
E-MAIL: LG@LEEGRAYCPA.COM

INDEPENDENT AUDITOR'S REPORT ON
COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM
AND REPORT ON INTERNAL CONTROL OVER
COMPLIANCE - OMB CIRCULAR A-133

To the Parish President and Members
of the Tangipahoa Parish Council
Tangipahoa Parish Government
Amite, Louisiana

Report on Compliance for Each Major Federal Program

I have audited Tangipahoa Parish Government's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of Tangipahoa Parish Government's major federal programs for the year ended December 31, 2012. Tangipahoa Parish Government's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of current year findings and questioned costs.

Management's Responsibility

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its federal programs.

Auditor's Responsibility

My responsibility is to express an opinion on compliance for each of Tangipahoa Parish Government's major federal programs based on my audit of the types of compliance requirements referred to above. I conducted my audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that I plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about Tangipahoa Parish Government's compliance with those requirements and performing such other procedures as I considered necessary in the circumstances. I believe that my audit provides a reasonable basis for my opinion on compliance for each major federal program. However, my audit does not provide a legal determination of Tangipahoa Parish Government's compliance.

Tangipahoa Parish Government
Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance - OMB Circular A-133

Basis for Qualified Opinion on Section 8 Housing Choice Voucher Program

As described in the accompanying schedule of findings and questioned costs, Tangipahoa Parish Government did not comply with requirements regarding CFDA 14.871 Section 8 Housing Choice Voucher Program as described in finding number 12-02. Compliance with such requirements is necessary, in my opinion, for Tangipahoa Parish Government to comply with the requirements applicable to that program.

Qualified Opinion on Section 8 Housing Choice Voucher Program

In my opinion, except for the noncompliance described in the Basis for Qualified Opinion paragraph, Tangipahoa Parish Government complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on CFDA 14.871 Section 8 Housing Choice Voucher Program for the year ended December 31, 2012.

Unmodified Opinion on Each of the Other Major Federal Programs

In my opinion, Tangipahoa Parish Government complied, all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its other major federal programs identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs for the year ended December 31, 2012.

Report on Internal Control Over Compliance

Management of Tangipahoa Parish Government is responsible for establishing and maintaining effective internal control over compliance requirements referred to above. In planning and performing my audit of compliance, I considered Tangipahoa Parish Government's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, I do not express an opinion on the effectiveness of the Tangipahoa Parish Government's internal control over compliance.

My consideration of internal control over compliance was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, I identified certain deficiencies in internal control over compliance that I consider to be a material weaknesses.

A deficiency in internal control over compliance exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is reasonable possibility that material noncompliance with a type of compliance requirement of a federal program will not be prevented, or detected and corrected, on a timely basis. I consider the deficiencies in internal control over compliance described in the accompanying schedule of findings and questioned costs as items 12-02 to be a material weakness.

A significant deficiency in internal control over compliance is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

**Tangipahoa Parish Government
Independent Auditor's Report on Compliance for Each Major Federal Program
and Report on Internal Control over Compliance - OMB Circular A-133**

Tangipahoa Parish Government's response to the internal control over compliance finding identified in my audit is described in the accompanying Management's Corrective Action Plan. Tangipahoa Parish Government's response was not subjected to the auditing procedures applied in the audit of compliance and, accordingly, I express no opinion on the response.

The purpose of this report on internal control over compliance is solely to describe the scope of my testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.

This report is intended solely for the information and use of the governing council, management, others within the entity, the Legislative Auditor, and the federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.

A handwritten signature in black ink, appearing to read "Lee Gray, CPA". The signature is fluid and cursive, with the "CPA" part written in a slightly different style than the name.

Certified Public Accountant

June 26, 2013

TANGIPAHOA PARISH GOVERNMENT

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
For the Year Ended December 31, 2012

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
11-01 Internal Control Over Financial Reporting	Resolved.
11-02 Internal Control Over Financial Reporting - Tangipahoa Parish Rural Fire Protection District No. 2	Resolved.
11-03 Local Government Budget Act Violations	Unresolved. See current year finding 12-01.
SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
None	
SECTION 3. MANAGEMENT LETTER	
None	

TANGIPAHOA PARISH GOVERNMENT

SCHEDULE OF CURRENT YEAR AUDIT FINDINGS AND QUESTIONED COSTS
Year Ended December 31, 2012

SECTION I - SUMMARY OF AUDITOR'S RESULTS

I have audited the financial statements of Tangipahoa Parish Government (Parish) as of and for the year ended December 31, 2012, and have issued my report thereon dated June 26, 2013. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. My audit of the financial statements as of December 31, 2012, resulted in:

- An unqualified opinion has been expressed on the financial statements of the governmental activities, the business-type activities, each major fund, the fiduciary fund, and the blended component units, except for the effects of omitting the Parish's legally separate component units less the blended component units.
- Because of the omission of the discretely presented component units, less the blended component units, the financial statements do not present fairly the financial position of the aggregate discretely presented component units.

Report on Internal Control and Compliance Material to the Financial Statements

Internal control

Material weaknesses identified? yes X no

Significant deficiencies identified not
considered to be material weaknesses? yes X no

Compliance

Noncompliance material to financial
statements noted? yes X no

Federal Awards

Internal control over major programs:

Material weaknesses identified? X yes no

Significant deficiencies identified not
considered to be material weaknesses? yes X no

Type of auditor's report issued on compliance
for major programs:

qualified

Any audit findings disclosed that are required
to be reported in accordance with
Section 510 (a) of Circular A-133?

 X yes no

Management Letter

Was a management letter issued?

 yes X no

Tangipahoa Parish Government
Schedule of Current Year Findings and Questioned Costs - Continued

Major programs:

CFDA Number 14.228
U.S. Department of Housing and Urban Development
Local Community Development Block Grant Program

CFDA Number 14.871
U.S. Department of Housing and Urban Development
Section 8 Housing Choice Voucher Program

CFDA Number 15.426
U.S. Department of Interior
Coastal Impact Assistance Program

CFDA Number 97.036
U.S. Department of Homeland Security
Hurricane Isaac

Dollar threshold used to distinguish between Type A and Type B programs: \$300,000

Auditee qualified as low-risk auditee? _____ yes X no

SECTION II - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements required to be reported under *Government Auditing Standards* (GAGAS).

12-01 Local Government Budget Act Violations

1. The following individual funds had actual revenues and other sources that failed to meet budgeted amounts for the year ended December 31, 2012.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
Criminal Court	\$120,000	\$108,958	(\$11,042)	9.20%
Road Lighting #2	\$31,300	\$29,254	(\$2,046)	6.54%
Road Lighting #5	\$2,000	\$1,782	(\$218)	10.90%

The following individual funds had actual expenditures and other uses exceed the budgeted amounts for the year ended December 31, 2012.

<u>Fund</u>	<u>Budget</u>	<u>Actual</u>	<u>Unfavorable Variance</u>	<u>Percent</u>
Homeless Prevention	\$69,415	\$74,003	(\$4,588)	6.61%
Florida Parishes Arena	\$373,686	\$398,841	(\$25,155)	6.73%
Section 8 Housing	\$2,273,963	\$2,393,441	(\$119,478)	5.25%

Tangipahoa Parish Government
Schedule of Current Year Findings and Questioned Costs - Continued

The Louisiana Local Government Budget Act requires a local government to amend its operating budget when the total revenue and other sources fail to meet total budgeted revenues and other sources by 5% or more and when the total expenditures and other uses exceed total budgeted expenditures and other uses by 5% or more. The Parish failed to amend the budgets for the Criminal Court, Road Lighting #2, Road Lighting #5, Homeless Prevention, Florida Parishes Arena, and Section 8 Housing Funds by an adequate amount for the fiscal year ended December 31, 2012.

The excess expenditures were funded by available fund balance.

I recommend that the Parish monitor its financial statements monthly and amend the budget as needed.

SECTION III - FEDERAL FINANCIAL ASSISTANCE

12-02 Section 8 Rental Assistance

Federal Grantor - U. S. Department of Housing and Urban Development

Program Title – Section 8 Housing Choice Voucher Program

Federal CFDA Number – 14.871

CONDITION:

In my sample of 25 rental assistance payments made to landlords, 2 of the sample had annual overpayments totaling \$3,606. The amount of the tenant's child care allowance was overstated as \$39,000 rather than \$3,900 in one case, and in both cases, the tenant income was improperly calculated: a wrong divisor used to calculate the average pay received in one case, and the use of a bi-weekly pay period for the calculation rather than a weekly pay period, in the other case.

CRITERIA:

U. S. Department of Housing and Urban Development issued operating requirements regarding the calculation of the amount of subsidy a family may receive.

CAUSE:

In one case, the calculation error was discovered by parish staff after one year when a recertification was performed, but it appears a procedure for a *timely* review of the rental subsidy calculation is not in place.

QUESTIONED COSTS:

\$3,606

EFFECT:

Rental subsidies were overpaid to landlords and could not be recovered from them because of a policy in the administrative plan that neither a family nor an owner is required to repay an overpayment of a subsidy if the error is caused by PHA staff.

**Tangipahoa Parish Government
Schedule of Current Year Findings and Questioned Costs- Concluded**

RECOMMENDATION:

Procedures should be implemented requiring the review of tenant rental subsidy calculations before the first subsidy is paid to the landlord.

Compliance

12-02 As described above is also a compliance finding.

TANGIPAHOA PARISH GOVERNMENT

MANAGEMENT'S CORRECTIVE ACTION PLAN
For Current Year Audit Findings for the Year Ended December 31, 2012

SECTION 1. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO THE FINANCIAL STATEMENTS	
Finding Reference No.	Management's Corrective Action Plan
12-01 Local Government Budget Act Violations	The Parish will monitor its monthly financial statements and amend the budget as needed.

SECTION 2. INTERNAL CONTROL AND COMPLIANCE MATERIAL TO FEDERAL AWARDS	
Finding Reference No.	Management's Corrective Action Plan
12-02 Section 8 - Rental Assistance	The Parish will perform a timely review of the calculation of tenant rental subsidies.

Date Submitted: 6-26-13

Auditee: Gerda A. Buzger

Agreed Upon Procedures Report



LEE GRAY
CERTIFIED PUBLIC ACCOUNTANT
WWW.LEEGRAYCPA.COM

801 COURTNEY DRIVE
P. O. Box 368
AMITE, LOUISIANA 70422

PHONE (985) 748-9067
FAX (985) 748-4370
E-MAIL: LG@LEEGRAYCPA.COM

AGREED-UPON PROCEDURES REPORT

Tangipahoa Parish Government

**Independent Accountant's Report
On Applying Agreed-Upon Procedures**

For Direct Recipients of \$50,000 or More in LTRP Funds

**To the Parish President and Members
of the Tangipahoa Parish Council
Tangipahoa Parish Government
Amite, Louisiana**

I have performed the procedures enumerated below related to the *Louisiana Tourism Recovery Program* (LTRP) allocation as they are a required part of the audit engagement. I am required to perform each procedure and report the results, including any exceptions. Management is required to provide a corrective action plan that addresses all exceptions noted. For any procedures that do not apply, I have marked "not applicable".

Management of the Tangipahoa Parish Government is responsible for its financial records, establishing internal controls over financial reporting, and compliance with applicable laws and regulations. These procedures were agreed to by management of the Tangipahoa Parish Government, the Louisiana Office of the Lieutenant Governor, and the Louisiana Legislative Auditor solely to assist the users in assessing compliance with the LTRP and certain laws and regulations during the year ended December 31, 2012.

This agreed-upon procedures engagement was performed in accordance with attestation standards established by the American Institute of Certified Public Accountants and applicable standards of *Government Auditing Standards*. The sufficiency of these procedures is solely the responsibility of the specified users of the report. Consequently, I make no representation regarding the sufficiency of the procedures described below either for the purpose for which this report has been requested or for any other purpose.

Tangipahoa Parish Government
Agreed-Upon Procedures Report
For Direct Recipients of \$50,000 or More in LTRP Funds

Administrative

1. Determine if the Entity is acting on its own behalf or has designated a single outside third-party to handle the responsibilities related to the LTRP allocation.

Tangipahoa Parish Government is acting on its own behalf to handle the responsibilities related to the LTRP allocation.

2. For changes to the Scope of Work and Budget, determine if the required written requests were submitted to the Office of Lieutenant Governor (OLG) and were approved.

During FYE 12-31-12, there was one written request to change the Scope of Work and Budget. This amendment was submitted on April 24, 2012, and approved by the Lieutenant Governor on May 10, 2012.

3. Determine if the required Quarterly Reports on LTRP expenditures and activities, along with supporting documentation, were prepared and submitted to the OLG by the deadline dates.

The 7th Quarter Expenditure Report ended October 31, 2012, and was due November 15, 2012. This report was not submitted until December 7, 2012.

The 8th Quarter Expenditure Report ended December 31, 2012, and was due January 15, 2013. This report was not submitted until May 9, 2013.

The 9th Quarter Expenditure Report ended March 31, 2013, and was due April 15, 2013. This report was not submitted until May 9, 2013.

All other quarterly expenditure reports were submitted timely with supporting documentation.

4. Determine if the required Final Report was submitted to the OLG within 60 days of the completion of the Scope of Work, but no later than December 19, 2013.

The Scope of Work was not complete as of December 31, 2012.

5. Determine if the Entity (or outside third-party if applicable) has taken affirmative steps to preserve all LTRP records, including electronically stored information.

Tangipahoa Parish Government has offsite backup of accounting records and all expenditure files are scanned and backed up offsite.

Tangipahoa Parish Government
Agreed-Upon Procedures Report
For Direct Recipients of \$50,000 or More in LTRP Funds

Expenditures

Obtain all *Quarterly Expenditure Report* documents that applied to the year under audit and perform the following on each:

1. Trace and verify the total amounts listed in the "Approved Budget Total Amount" column to the related expense/budget categories in the approved budget.

The amounts listed in the "Approved Budget Total Amount" column on the Quarterly Expenditure Reports agree with the expense/budget categories in the approved budget.

2. Trace and verify the total amounts listed in the "Current Quarterly Expenditures by the Parish" column to supporting documentation (e.g., general ledger).

The Quarterly Expenditure Reports for 2012 have accurate totals in the total to date expenditures column for all categories.

3. Of the total quarterly expenditures, select a number of transactions that follows the generally accepted auditing guidelines and determine if:

- o The expenditures were made in compliance with the approved Scope of Work and Budget, as may have been amended;

All expenditures were made in compliance with the approved Scope of Work and Budget, as amended.

- o The expenditures were made in compliance with all applicable statutory provisions (e.g., procurement, ethics, etc.)

All expenditures were made in compliance with all applicable statutory provisions.

I was not engaged to perform, and did not perform, an audit, the objective of which would be the expression of an opinion on management's assertions. Accordingly, I do not express such an opinion. Had I performed additional procedures, other matters might have come to my attention that would have been reported to you.

This report is intended solely for the use of management of Tangipahoa Parish Government, the Office of the Lieutenant Governor, and the Legislative Auditor, and should not be used by those who have not agreed to the procedures and taken responsibility for the sufficiency of the procedures for their purposes. Under Louisiana Revised Statute 24:513, this report is distributed by the Legislative Auditor as a public document.


Certified Public Accountant

June 26, 2013